

SEALED BIDDING

CLASSROOM MATERIALS

FEDERAL ACQUISITION INSTITUTE

CURRICULUM OF PROCUREMENT
TRAINING COURSES

CURRENT THROUGH
FAC-20

OFFICE OF ACQUISITION POLICY

GSA TRAINING CENTER

AGENDA

TIME	LESSONS
DAY ONE	
8:00 AM (25 minutes)	INTRODUCTIONS -- Instructor and Students
8:25 AM (5 minutes)	ADMINISTRATIVE DETAILS
8:30 AM (60 mins)	Lesson 1 - Review of Procurement Planning
9:30 AM (20 mins)	Break
9:50 AM (90 minutes))	Lesson 2 - The Solicitation
11:20 AM (10 mins)	Lesson 2 - Assign Case Study 2-3
11:30 AM (1 hour)	Lunch
12:30 PM (160 minutes)	Lesson 2 - Case Study 2-3 20-minute Break included
Day Two	
8:00 AM (1 hr, 10 mins)	Lesson 3 - Publicizing the IFB
9:10 AM (20 mins)	Break
9:30 AM (1 hr, 30 mins)	Lesson 3 - Preaward Inquiries
11:00 AM (1 hour)	Lesson 4 - Amending IFB's
12:00 PM (1 hour)	Lunch
1:00 PM (70 mins)	Lesson 4 - Cancelling IFB's
2:10 PM (20 min)	Break
2:30 PM (60 minutes)	Lesson 5 - Processing Bid Assign Simulation Exercise

AGENDA

TIME	LESSONS
DAY THREE	
8:00 AM (30 mins)	Lesson 5 - Processing Bids (Sections 5.1 through 5.2.3)
8:30 AM (1 hour)	Lesson 5 - Conduct Bid Opening (Simulation exercise)
9:30 AM (20 mins)	Break
9:50 AM (40 mins)	Lesson 5 - Late Bids
10:30 AM (45 mins)	Lesson 5 - Firm Bid Rule/ Bid Acceptance Period
11:15 AM (1 hour)	Lunch
12:15 PM (1 hour, 15 mins)	Lesson 5 - Responsiveness
1:30 PM (20 minutes)	Break
1:50 PM (100 minutes)	Lesson 5 - Evaluate Bid Prices
DAY FOUR	
8:00 AM (30 mins)	Lesson 5 - Complete Cases Studies 5-4a and 5-4b
8:30 AM (160 minutes)	Lesson 6 - Mistakes in Bid
9:30 AM (20 minutes)	Break
11:30 AM (60 minutes)	Lunch
12:30 PM (160 minutes)	Lesson 7 - Responsibility
2:00 PM (20 minutes)	Break

AGENDA

TIME	LESSONS
DAY FIVE	
8:00 AM (30 mins)	Complete Simulation Exercise
8:30 AM (30 mins)	Lesson 8 - Award of Contract
9:00 AM (20 mins)	Lesson 9 - Protests
9:20 AM (1hr, 10 mins)	Break
9:40 PM (80 minutes)	Lesson 10 - Wrap Up
11:00 PM (1 hour)	End of Course Exam

LESSON 1

PROCUREMENT PLANNING REVIEW

Course Learning Objective (CLO)

At the completion of this course, you will be able to:

- 1-1 State the four requirements for the use of sealed bidding.
- 1-2 Describe elements used in procurement planning (e.g., purchase requests, specifications and source lists).

Estimated Time

30 Minutes

Method of Instruction

Discussion of sealed bidding requirements using the vignette on page 1-1 of the T/R as an example.
Lecture/Discussion on procurement planning review using chart on pages 1-6 and 1-7 of T/R.
Case Study 1-1 (optional)

Student Materials

Text/Reference—Chapter One
Classroom Materials—Lesson One

Lesson Overview

This lesson provides a brief discussion of procurement planning and the decision to use sealed bidding. Specific points of interest include:

- Steps in sealed bidding.
- Steps in procurement planning.
- Purchase requests, specifications, source selection, and acquisition planning.
- Conditions that require the use of sealed bidding.
- FAR References (See Appendix E)

A - A - 1912B
 11-9-83
SUPERSEDING
 A-A-1912A
 2-15-83

¶

COMMERCIAL ITEM DESCRIPTION¶

¶

PAPER, COPYING, XEROGRAPHIC AND OFFSET PROCESS¶ (Dual Purpose; White and Colors)¶

¶

The General Services Administration has authorized the use of this commercial item description.¶

¶

¶

Salient Characteristics: ¶

¶

•The paper shall conform to the physical properties of the Government Paper Specification Standard JCP-0-60 and perform satisfactorily in high speed and dry toner plain paper copies, xerographic and offset duplicating equipment. The paper shall have an average pick resistance on each side of not less than 10-A Dennison wax number when tested according to TAPPI Method T-459.¶

¶

•Operating Performance: Operating performance shall be checked at atmospheric conditions of 70° F ± 10° and relative humidity of 50 percent ± 30 percent. Cut papers shall be checked on a Xerox® 9200 equipped with a 50 bin sorter, and there shall be no more than one paper caused jam per 5000 copies with all copies passing directly from copier into sorter bins allowing a minimum of 100 copies to accumulate in each sorter bin. In addition, 2000 copies shall be produced with second side copies passing directly from copier into sorter allowing a minimum of 100 copies (sheets) to accumulate in each sorter bin. For this test there will be no more than one paper caused jam per 2000 copies.¶

¶

•Roll paper shall be checked on an IBM roll copier and there shall be no more than one paper caused jam per roll when copying this page as an original.¶

¶

Regulatory requirements:¶

¶

The offeror/contractor is encouraged to use recovered materials in accordance with Public Law 94-580 to the maximum extent practicable.¶

¶

¶

Preservation, packaging, packing, labeling, and marking:¶

¶

Preservation, packaging, packing, labeling and marking shall be as specified in the contract or order.¶

¶

¶

TAPPI text methods are available from the Technical Association of the Pulp and Paper Industry, Technical Park/Atlanta, P.O. Box 105113, Atlanta, GA 30341.¶

¶

When this commercial item description is used for procurement, the commercial item certification clause must appear in the solicitation.¶

ACQUISITION PLAN

<p>Background</p>	<p>The Office of Contracts, FTC, received Purchase Request No. A001 from the Reproduction Services Office on December 2, 1989, covering 10,000 reams of xerographic paper in accordance with Commercial Item Description A-A1912B dated November 9, 1983.</p> <p>The estimated value of this procurement is \$62,500</p> <p>This procurement was assigned solicitation number TC-A001-89-SB to Jane Smith, Contract Specialist, on December 3, 1989.</p>												
<p>Acquisition History</p>	<p>During the last 12 months, four procurements covering xerographic paper were awarded. A review of the awards revealed:</p> <table border="0"> <tr> <td>1. Method of Procurement:</td> <td>Sealed Bidding</td> </tr> <tr> <td>2. Type of Contract:</td> <td>Definite Qty, Def. Delivery</td> </tr> <tr> <td>3. Delivery Terms:</td> <td>15 days, 1st 5,000 reams 30 days, excess up to 20,000</td> </tr> <tr> <td>4. Prices:</td> <td>9/12/89 = \$6.52 per rm 6/10/89 = \$6.20 per rm 3/10/89 = \$6.18 per rm 1/14/89 = \$6.00 per rm All prices-FOB dest. All Quantities: 10,000 rms</td> </tr> <tr> <td>5. Competition:</td> <td>Full and Open - No restrictions •5-7 bids received •Prices ranged within \$1.00 per ream •4 small business bids received on all four procurements •Small business awarded the last two procurements</td> </tr> <tr> <td>6. Problems:</td> <td>NONE</td> </tr> </table> <p>An informal telephonic market survey was conducted and revealed the following:</p> <ol style="list-style-type: none"> 1. A substantial number of firms are able to supply paper which meet the specification. 2. Published catalog prices are based on substantial sales made to the general public. 3. Prices change industry wide during February and July to reflect seasonal fluctuations in the timber industry. 4. All bidders' catalog prices are based on FOB origin. Freight prepaid upon request. 	1. Method of Procurement:	Sealed Bidding	2. Type of Contract:	Definite Qty, Def. Delivery	3. Delivery Terms:	15 days, 1st 5,000 reams 30 days, excess up to 20,000	4. Prices:	9/12/89 = \$6.52 per rm 6/10/89 = \$6.20 per rm 3/10/89 = \$6.18 per rm 1/14/89 = \$6.00 per rm All prices-FOB dest. All Quantities: 10,000 rms	5. Competition:	Full and Open - No restrictions •5-7 bids received •Prices ranged within \$1.00 per ream •4 small business bids received on all four procurements •Small business awarded the last two procurements	6. Problems:	NONE
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5. Competition:	Full and Open - No restrictions •5-7 bids received •Prices ranged within \$1.00 per ream •4 small business bids received on all four procurements •Small business awarded the last two procurements												
6. Problems:	NONE												

ACQUISITION PLAN

Socio-economical Considerations	<p>The past four procurements indicates sufficient price competition exists between small businesses. Only one small business was located in a labor surplus area.</p>
Recommended Acquisition Approach	<p>Based on the foregoing, the following recommendations are made:</p> <ol style="list-style-type: none"> 1. <u>Method of Procurement</u>: Sealed Bidding is recommended because : <ol style="list-style-type: none"> a. Commercial Item Description is not restrictive b. Discussions are not necessary c. Adequate price competition exists d. There is sufficient amount of time to complete the procurement. 2. <u>Type of Contract</u> : DQ, Definite Delivery, FFP <p>Since there is an apparent on-going need for a significant amount of xerographic paper, an indefinite quantity contract was considered. FTC's central office advised they were in the process of completing a nation-wide procurment for all types of paper with an anticipated date of completion for June 1990. Since this proposed procurement covers only the period up to June 1990, a FFP, DQ contract is considered to be in the Government's best interest.</p>
Milestones	<ol style="list-style-type: none"> 3. <u>Evaluation and Award</u>: Award shall be made to the low, responsive, responsible bidder whose price is considered fair and reasonable. Only price and/or price-related factors will be considered <p>The proposed milestones for this procurement are:</p> <ol style="list-style-type: none"> 1. Synopsis: Transmittal date: 12/9/89 (elec) Publicized date: 12/15/89 2. Issuance Date: 12/30/89 Location: Office of Contracts, Reg 1 3. Opening Date: 1/30/90 at 2:30 p.m. Location: Office of Contracts, Reg 1 4. Evaluation & Review: Completed NLT 2/28/90 5. Award: NLT 3/1/90 6. Delivery: 3/20/90 (1st 5,000 reams) 4/5/90 (Remaining 5,000 reams)

ACQUISITION PLAN

**Contract
Administration
Plan**

Mr. Green, Project Manager, (703)936-1212 will act as the inspection and acceptance official. If deliveries have not been received on due date(s), Mr. Green will contact this office.

Form FTC No. 3606 shall be used for acceptance. One copy will be sent to Office of Finance, one copy to this office and one copy to be retained by Mr. Green. Original to be mailed to Contractor.

LESSON 2

THE SOLICITATION

Primary Learning Objective

Primary Learning Objective #1

- Condition: Given acquisition histories, market surveys, and the purchase request
- Action: Select contract type
- Standard: Correctly identifies the factors in pricing a procurement that are the most uncertain, determines the potential risks entailed by the uncertainties, and selects the type of contract that will:
- Minimize the potential risks (in terms of cost and performance) inherent in the requirement and the expected cost of contract administration (both to the Government and industry), taken together.
 - Provide a reasonable allocation of risk between the Government and the contractor.
 - Conform to FAR Part 16 and agency requirements and limitations on the use of the different contract types.

Primary Learning Objective #2

- Condition: Given the purchase request, technical evaluation criteria, method of procurement, and the selected type of contract
- Action: Select provisions and clauses for the Invitation For Bids (IFB) and assemble the IFB
- Standard: Final solicitation conforms to the Uniform Contract Format (where required). Incorporates all required clauses and solicitation provisions, given prior decisions on method of procurement, type of contract, nature of goods or services being procured, et.al. Selects optional clauses or provisions and drafts new clauses or provisions that represent a net benefit in terms of improving the probability of attaining the Government's minimum needs on-time and at a fair and reasonable price.

Course Learning Objectives (CLO)

At the completion of this course the student will be able to:

2-1 Prepare an invitation for bids (IFB).

- Determine whether the Uniform Contract Format is required.
- Establish opening dates and times for a solicitation.
- Use the Uniform Contract Format in developing a solicitation.
- State the steps required when you deviate from a FAR clause.

2-2 Select contract types.

- Select Firm-Fixed Price, Definite Quantity & Definite Delivery (FFP).
- Select Fixed Price with Economic Price Adjustment (FP-EPA).
- Select Fixed Price Indefinite-Delivery Contract (FP-ID).

Estimated Time

5 1/2 Hours (Including Lunch Break)

Method of Instruction

Lecture/Discussion with viewgraphs as visuals
Interactive Viewgraphs
Student Exercise — Case Study on Selecting Contract Types,
The UCF, and Preparing a Solicitation
Interactive Review Questions

Student Materials

Text/Reference — Chapter Two (page 2-1)
Classroom Materials—Lesson Two

Lesson Overview

This lesson provides a detailed discussion on preparing an IFB to include: selecting the contract type, selecting the appropriate contract clauses and solicitation provisions, and using the Uniform Contract Format (UCF). Specific points of interest include:

- Establishing bid opening dates and times.
- Selecting appropriate sealed bidding contract types (Firm-Fixed Price and Fixed Price with Economic Price Adjustments).
- Selecting appropriate Firm-Fixed Price Indefinite-Delivery contracts when times or quantities of future deliveries are not known at the time of contract award.
- Determining whether the UCF is required.
- Preparing the IFB using the UCF.
- Differentiating between contract clauses and solicitation provisions.
- Determining which clauses and provisions go into an IFB.
- Deviating from the FAR.
- Obtaining approvals for the IFB package.

This lesson will be presented by the instructor in a lecture/discussion and case study format. The instructor will use interactive viewgraphs and numerous examples to enhance student participation and attentiveness.

There are several interactive learning review questions in this lesson. The instructor, if time permits, will conduct an interactive review using these questions. He/she will ask a student to answer a question and then ask another student to indicate whether or not the first student was correct or whether something should be added to the answer. The second student may then add to the first student's original answer. The instructor will continue in this manner until the question has been sufficiently answered. If time does not permit an interactive review of the material, you should answer these questions in your own free time to prepare for the end of course exam.

CASE STUDY 2-1 BUILDING A SOLICITATION

(Note: a complete solicitation will not be developed in this class.) Use the Purchase Request and Acquisition Plan for this case study.

Each group shall:

1. Use the mini clause manuals provided in this lesson for clause selection. The "Excerpts from the FAR" and the agency clause manual and the text reference (Chapter 2) are the only resource materials to be used in this exercise. DO NOT include clauses or provisions that you may have used on-the-job.
2. Use the forms in this case study for completing the exercise.
 - If assigned Section A use the SF33
 - If assigned Section B use the OF336
 - If assigned any other section use the Section chart.

All applicable provisions/clauses must be identified on the forms.

- A. Provision/clauses incorporated by reference should be listed by:
 - Clause Number
 - Title
 - FAR reference, if applicable
 - B. Provisions/clauses to be included by full text should be listed by:
 - Clause Number
 - Title
 - FAR reference, if applicable
 - Any fill in information to be included in the solicitation
 - C. Provisions/Clauses identified for your section that are not to be included and why
3. Report to the class your findings. Reports will be in alphabetical order of the UCF section. Each group must be able to defend their decisions.

SOLICITATION, OFFER AND AWARD	1. This contract is a rated order under DPAS (15 CFR 360)	Rating	Page of 1
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2. Contract No.	3. Solicitation No.	4. Type of Solicitation <input type="checkbox"/> Sealed Bid (IFB) <input type="checkbox"/> Negotiated (RFP)	5. Date Issued	6. Requisition/Purchase No.
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7. Issued By Code <input style="width: 50px;" type="text"/>	8. Address Offer To (If other than Item 7)
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NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder"

SOLICITATION

9. Sealed offers in original and _ copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if hand-carried, in the depository located in _____ until _____ time _____ date.
CAUTION--LATE Submissions, Modifications, and Withdrawals: See Section L. Provision No. 52.214-7 or 52.215-10. All offers are subject to all terms and conditions contained in this solicitation.

10. For Information Call:	A. Name	B. Telephone No.(Area code) (NO COLLECT CALLS)
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11. Table of Contents

X	SEC.	DESCRIPTION	PAGE(S)	X	SEC.	DESCRIPTION	PAGE(S)
		PART I - The Schedule				PART II - Contract Clauses	
	A	Solicitation/Contract Form			I	Contract Clauses	
	B	Supplies or Services and Prices/Costs				PART III - List of Documents, Exhibits and other Attachments	
	C	Desc./Specs/Work Statement			J	List of Attachments	
	D	Packaging and Marking				PART IV - Representations and Instructions	
	E	Inspection and Acceptance			K	Representations, Certifications and Other Statements of Offerors	
	F	Deliveries or Performance					
	G	Contract Administration Data			L	Instructions., Conditions., and Notices	
	H	Special Contract Requirements			M	Evaluation Factors for Award	

OFFER (Must be fully completed by offeror)

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16

12. In compliance with the above, the undersigned agrees, if this offer is accepted within ____ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. Discount for Prompt Payment (See Section I, Clause No. 52.232-8)	10 CalendarDays %	20 CalendarDays %	30 CalendarDays %	Calendar Days %
14. Acknowledgment of Amendments (The offeror acknowledges receipt of amendments to the Solicitation for offerors and related documents numbered and dated)	Amendment No.	Date	Amendment No.	Date
	Amendment No.	Date	Amendment No.	Date

15A. Name and Address of Offeror	Code <input style="width: 50px;" type="text"/>	Facility <input style="width: 50px;" type="text"/>	16. Name and Title of Person Authorized to sign Offer (Type or Print)
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15B. Telephone No. (Include area code)	<input type="checkbox"/> 15C. Check if Remittance address is different from above. Enter such address in schedule.	17. Signature	18. Offer Date
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AWARD (To be completed by Government)

19. Accepted as to items numbered	20. Amount	21. Accounting and Appropriation
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22. Authority for using other than FAOC <input type="checkbox"/> 10 USC 2340(c) <input type="checkbox"/> 41 USC 253(c)	23. Submit invoices to address shown in (4 copies unless otherwise specified)	Item
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24. Administered by (If other than Item 7) Code <input style="width: 50px;" type="text"/>	25. Payment will be made by Code <input style="width: 50px;" type="text"/>
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26. Name of Contracting Officer	27. United States of America (Signature of Contracting Officer)	28. Award Date
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IMPORTANT -- Award will be made on this form, or on SF 26, or by other authorized official written notice.

CONTINUATION SHEET	Reference No. of Document Being Continued	Page
		2 of

Name of Offeror or Contractor

ITEM NO.	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT

NSN 7540-01-152-8087

50336-101

**Optional Form 336 (4-86)
Sponsored by GSA
FAR (48 CFR) 53.110**

SUBPART 52.3 ---- PROVISION AND CLAUSE MATRIX

<div> <div>Key:</div> <div> <div> P or C = Provision or Clause IBR = Is Incorporation by Reference authorized? UCF = Uniform Contract Format Section </div> <div> Principle type and/or purpose of contract: <div> FP SUP = Fixed Price Supply CR SUP = Cost-Reimbursement Supply (16 more types) </div> </div> </div> </div>							
Provision or Clause	Prescribed In	P or C	IBR	16 More Types			
				UCF	FP SUP	CR SUP	
52.202-1 Definitions.	2.201	C	Yes	I	R	R	
52.203-1 Officials Not to Benefit.	3.102-2	C	Yes	I	A	A	
52.207-4 Economic Purchase Quantity	7.203	P	No	K	A	A	
52.210-5 New Material.	10.011(e)(1)	C	Yes	I	A	O	
52.210-7 Used or Reconditioned Material, Residual Inventory, Former Government Surplus Property.	10.011(g)(1)	C	Yes	I	A	O	
52.212-1 Time of Delivery.	12.104(a)(2)	C	No	F	O	O	
52.212-1 Time of Delivery	12.104(a)(2)	C	No	F	O	O	
52.212-1 Time of Delivery	12.104(a)(2)	C	No	F	O	O	
52.212-1 Time of Delivery	12.104(a)(2)	C	No	F	O	O	
52.212-1 Time of Delivery	12.104(a)(2)	C	No	F	O	O	
52.212-2 Desired and Required Time of Delivery.	12.104(a)(3)	C	No	F	O	O	
52.212-9 Variation in Quantity.	12.403(d)(a)	C	Yes	F	A		
52.213-1 Fast Payment Procedure.	13.305	C	Yes	I	A		
52.214-5 Submission of Bids.	14.201-6(c)(1)	P	Yes	L	A		
52.214-7 Late Submission, Modification, Withdrawal of Bids.	14.201-6(c)(3)	P	Yes	L	A		
52.214-10 Contract Award	14.201-6(e)(2)	P	Yes	L	A		
52.214-13 Telegraphic Bids.	14.201-6(g)	P	Yes	L	A		
52.214-15 Period for Acceptance of Bids.	14.201-6(i)	P	Yes	L	A		
52.214-16 Minimum Bid Acceptance Period.	14.201-6(j)	P	No	K	A		

52.214-21 Descriptive Literature.	14.201-6(p)(1)	P	Yes	L	A				
52.214-21 Descriptive Literature Alternate I	14.201-6(p)(2)	P	No	L	A				
52.214-22 Evaluation of Bids for Multiple Awards.	14.201-6(q)	P	Yes	M	A				
52.215-16 Contract Award.	15.407(d)(4)	P	Yes	L	A	A			
52.215-19 Period for Acceptance of Offer.	15.407(f)	P	Yes	K	A	A			
52.216-1 Type of Contract.	16.105	P	Yes	L	A	A			
52.217-6 Option for Increased Quantity.	17.208(d)	C	Yes	I	A				
52.217-7 Option for Increased Quantity Separately Priced Line Item.	17.208(e)	C	Yes	I	A	A			
52.219-1 Small Business Concern Representation.	19.304(a)	P	No	K	A	A			
52.219-6 Notice of Total Small Business Set-Aside.	19.508(c)	C	Yes	I	A	A			
52.219-7 Notice of Partial Small Business Set-Aside.	19.508(d)	C	Yes	I	A	A			
52.223-4 Recovered Material Certification.	23.405	P	Yes	K	A	A			
52.232-1 Payments.	32.111(a)(1)	C	Yes	I	A				
52.243-1 Changes Fixed-Price.	43.205(a)(1)	C	Yes	I	R				
52.246-2 Inspection of Supplies Fixed-Price.	46.302	C	Yes	E	A				
52.246-2 Inspection of Supplies Fixed-Price Alternate I	46.302	C	Yes	E	A				
52.246-2 Inspection of Supplies Fixed-Price Alternate II	46.302	C	Yes	E	A				
52.246-4 Inspection of Services Fixed-Price.	46.304	C	Yes	E	A				
52.246-16 Responsibility for Supplies.	46.316	C	Yes	E	A				
52.247-45 F.o.b. Origin and/or F.o.b. Destination Evaluation.	47.305-2(b)	P	Yes	L	A				
52.247-47 Evaluation F.o.b. Origin.	47.305-3(f)(2)	P	Yes	M	A				
52.247-50 No Evaluation of Transportation Costs.	47.305-5(c)(1)	P	Yes	M	A				

**SELECTED EXCERPTS FROM THE
FEDERAL ACQUISITION
REGULATION**

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**SUBPART 2.2 DEFINITIONS
CLAUSE**

2.201 Contract clause.

The contracting officer shall insert the clause at 52.202-1, Definitions, in solicitations and contracts except when (a) a fixed-price research and development contract that is expected to be \$2,500 or less is contemplated or (b) a purchase order is contemplated. If the contract is for personal services; construction; architect-engineer services; or dismantling, demolition, or removal of improvements, the contracting officer shall use the clause with its Alternate I. Additional definitions may be included; provided, they are consistent with this clause and the Federal Acquisition Regulation.

SUBPART 3.1 SAFEGUARDS

3.102 Officials not to benefit.

3.102-1 General.

41 U.S.C. 22 requires that most Government contracts explicitly state that no member of Congress shall be admitted to any share or part of the contract or any benefit arising from it. If a contract is made between the U.S. Government and any member of or delegate to Congress, or resident commissioner, it may constitute a violation of 18 U.S.C. 431 and 432, resulting in

(a) Both the officer or employee of the Government who awarded the contract and the member, delegate, or resident commissioner being subject to criminal penalties;

(b) The contract being void; and

(c) The contractor having to return any consideration paid by the Government under the contract.

3.102-2 Contract clause.

The contracting officer shall insert the clause at 52.203-1, Officials Not to Benefit, in solicitations and contracts, except those related to agriculture that are exempted by 41 U.S.C. 22.

**SUBPART 7.2 PLANNING FOR
THE PURCHASE OF SUPPLIES IN
ECONOMIC QUANTITIES**

7.200 Scope of subpart.

This subpart prescribes policies and procedures for gathering information from offerors to assist the Government in planning the most advantageous quantities in which supplies should be purchased.

7.201 Reserved.

7.202 Policy.

(a) Agencies are required by 10 U.S.C. 2384(a) and 41 U.S.C. 253f to procure supplies in such quantity as (1) will result in the total cost and unit cost most advantageous to the Government, where practicable, and (2) does not exceed the quantity reasonably expected to be required by the agency.

(b) Each solicitation for a contract for supplies is required, if practicable, to include a provision inviting each offeror responding to the solicitation (1) to state an opinion on whether the quantity of the supplies proposed to be acquired is economically advantageous to the Government, and (2) if applicable, to recommend a quantity or quantities which would be more economically advantageous to the Government. Each such recommendation is required to include a quotation of the total price and the unit price for supplies procured in each recommended quantity.

7.203 Solicitation provision.

Contracting officers shall insert the provision at 52.207-4, Economic Purchase Quantity Supplies, in solicitations for supplies. The provision need not be inserted if the solicitation is for a contract under the General Services Administration's multiple award schedule contract program, or if the contracting officer determines that (a) the Government already has the data, (b) the data is otherwise readily available, or (c) it is impracticable for the Government to vary its future requirements.

7.204 Responsibilities of contracting officers.

(a) Contracting officers are responsible for transmitting offeror responses to the solicitation provision at 52.207-4 to appropriate inventory management/requirements development

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activities in accordance with agency procedures. The economic purchase quantity data so obtained are intended to assist inventory managers in establishing and evaluating economic order quantities for supplies under their cognizance.

(b) In recognition of the fact that economic purchase quantity data furnished by offerors are only one of many data inputs required for determining the most economical order quantities, contracting officers should generally take no action to revise quantities to be acquired in connection with the instant procurement. However, if a significant price variation is evident from offeror responses, and the potential for significant savings is apparent, the contracting officer shall consult with the cognizant inventory manager or requirements development activity before proceeding with an award or negotiations. If this consultation discloses that the Government should be ordering an item of supply in different quantities and the inventory manager/requirements development activity concurs, the solicitation for the item should be amended or canceled and a new requisition should be obtained.

**PART 10—SPECIFICATIONS,
STANDARDS, AND OTHER
PURCHASE DESCRIPTIONS**

**10.010 Acquiring used or
reconditioned material, former
Government surplus property, and
residual inventory.**

(a) Generally, all contractually furnished supplies and their components, including former Government property, will be new, including recycled (see Subpart 23.4 for policy on recovered materials). However, agencies may acquire used or reconditioned material, former Government surplus property, or residual inventory conforming to the solicitation's requirements, if the contracting officer determines that it is acceptable. When such a determination is made, the solicitation shall clearly identify the supplies or their components that need not be new, along with the necessary details on their acceptability. Offerors wishing to provide such used or reconditioned material, former Government surplus property, or residual

inventory shall do so in accordance with the clause at 52.210-5, New Material, or the provision at 52.210-6, Listing of Used or Reconditioned Material, Residual Inventory, and Former Government Surplus Property, and the clause at 52.210-7, Used or Reconditioned Material, Residual Inventory, and Former Government Surplus Property, as appropriate.

(b) Contracting officers shall consider the following when determining whether used or reconditioned materials, former Government surplus property, or residual inventory are acceptable:

- (1) Safety of persons or property.
- (2) Total cost to the Government (including maintenance, inspection, testing, and useful life).
- (3) Performance requirements.
- (4) Availability and cost of new materials and components.

(c) With regard to former Government surplus property, the contracting officer shall ensure that the prices paid for such items are reasonable considering overall cost savings to the Government. When a contract calls for material to be furnished at cost, the allowable charge for former Government surplus property shall not exceed the cost at which the contractor acquired the property.

**10.011 Solicitation provisions and
contract clauses.**

(a) The contracting officer shall insert the provision at 52.210-1, Availability of Specifications Listed in the GSA Index of Federal Specifications, Standards and Commercial Item Descriptions, in solicitations that (i) are issued by civilian agency contracting offices and (ii) cite specifications listed in the Index that are not furnished with the solicitation.

(b) The contracting officer shall insert the provision at 52.210-2, Availability of Specifications Listed in the DOD Index of Specifications and Standards (DODISS), in solicitations that (i) are issued by DOD contracting offices and (ii) cite specifications listed in the DODISS that are not furnished with the solicitation.

(c) The contracting officer shall insert a provision substantially the same as the provision at 52.210-3, Availability of Specifications Not Listed in the GSA Index

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of Federal Specifications, Standards and Commercial Item Descriptions, in solicitations that cite specifications that are not listed in the Index and are not furnished with the solicitation, but may be obtained from a designated source.

(d) The contracting officer shall insert a provision substantially the same as the provision at 52.210-4, Availability for Examination of Specifications Not Listed in the GSA Index of Federal Specifications, Standards and Commercial Item Descriptions, in solicitations that cite specifications that are not listed in the Index and are available for examination at a specified location.

(e)(1) The contracting officer shall insert the clause at 52.210-5, New Material, in solicitations and contracts for supplies, unless, in the judgment of the contracting officer, the clause would serve no useful purpose.

(2) The contracting officer may insert the clause in solicitations and contracts for services that may involve the incidental furnishing of parts.

(f)(1) The contracting officer shall insert the provision at 52.210-6, Listing of Used or Reconditioned Material, Residual Inventory, and Former Government Surplus Property, in solicitations for supplies, unless, in the judgment of the contracting officer, the provision would serve no useful purpose.

(2) The contracting officer may insert the provision in solicitations for services that may involve the incidental furnishing of parts.

(g)(1) The contracting officer shall insert the clause at 52.210-7, Used or Reconditioned Material, Residual Inventory, and Former Government Surplus Property, in solicitations and contracts for supplies, unless, in the judgment of the contracting officer, the clause would serve no useful purpose.

(2) The contracting officer may insert the clause in solicitations and contracts for services that may involve the incidental furnishing of parts

**SUBPART 12.1 DELIVERY OR
PERFORMANCE SCHEDULES**

12.101 General.

(a) The time of delivery or performance is an essential contract element and shall be clearly stated in solicitations. Contracting officers shall ensure that delivery or performance schedules are realistic and meet the requirements of the acquisition. Schedules that are unreasonably tight or difficult of attainment (1) tend to restrict competition, (2) are inconsistent with small business policies, and (3) may result in higher contract prices.

(b) Solicitations shall, except when clearly unnecessary, inform bidders or offerors of the basis on which their bids or proposals will be evaluated with respect to time of delivery or performance.

(c) If timely delivery or performance is unusually important to the Government, liquidated damages clauses may be used (see Subpart 12.2).

**12.102 Factors to consider in
establishing schedules.**

(a) Supplies or services. When establishing a contract delivery or performance schedule, consideration shall be given to applicable factors such as the

- (1) Urgency of need;
- (2) Production time;
- (3) Market conditions;
- (4) Transportation time;
- (5) Industry practices;
- (6) Capabilities of small business

concerns;

(7) Administrative time for obtaining and evaluating offers and for awarding contracts;

(8) Time for contractors to comply with any conditions precedent to contract performance; and

(9) Time for the Government to perform its obligations under the contract; e.g., furnishing Government property.

(b) Construction. When scheduling the time for completion of a construction contract, the contracting officer shall consider applicable factors such as the

- (1) Nature and complexity of the project;
- (2) Construction seasons involved;
- (3) Required completion date;
- (4) Availability of materials and

equipment;

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(5) Capacity of the contractor to perform; and

(6) Use of multiple completion dates. (In any given contract, separate completion dates may be established for separable items of work. When multiple completion dates are used, requests for extension of time must be evaluated with respect to each item, and the affected completion dates modified when appropriate.)

12.103 Supplies or services.

(a) The contracting officer may express contract delivery or performance schedules in terms of

(1) Specific calendar dates;

(2) Specific periods from the date of the contract; i.e., from the date of award or acceptance by the Government, or from the date shown as the effective date of the contract;

(3) Specific periods from the date of receipt by the contractor of the notice of award or acceptance by the Government (including notice by receipt of contract document executed by the Government); or

(4) Specific time for delivery after receipt by the contractor of each individual order issued under the contract, as in indefinite delivery type contracts and GSA schedules.

(b) The time specified for contract performance should not be curtailed to the prejudice of the contractor because of delay by the Government in giving notice of award.

(c) If the delivery schedule is based on the date of the contract, the contracting officer shall mail or otherwise furnish to the contractor the contract, notice of award, acceptance of proposal, or other contract document not later than the date of the contract.

(d) If the delivery schedule is based on the date the contractor receives the notice of award, or if the delivery schedule is expressed in terms of specific calendar dates on the assumption that the notice of award will be received by a specified date, the contracting officer shall send the contract, notice of award, acceptance of proposal, or other contract document by certified mail, return receipt requested, or by any other method that will provide evidence of the date of receipt.

(e) In invitations for bids, if the delivery schedule is based on the date of the contract, and a bid offers delivery based on the date the contractor receives the contract or notice of award, the contracting officer shall evaluate the bid by adding 5 days (as representing the normal time for arrival through ordinary mail). If the offered delivery date computed with mailing time is later than the delivery date required by the invitation for bids, the bid shall be considered nonresponsive and rejected. If award is made, the delivery date will be the number of days offered in the bid after the contractor actually receives the notice of award.

12.104 Contract clauses.

(a) Supplies or services. (1) The contracting officer may use a time of delivery clause to set forth a required delivery schedule and to allow an offeror to propose an alternative delivery schedule. The clauses and their alternates may be used in solicitations and contracts substantially as shown, they may be changed, or new clauses may be written.

(2) The contracting officer may insert in solicitations and contracts for supplies or services a clause substantially the same as the clause at 52.212-1, Time of Delivery, if the Government requires delivery by a particular time and the delivery schedule is to be based on the date of the contract. If the delivery schedule is expressed in terms of specific calendar dates or specific periods and is based on an assumed date of award, the contracting officer may use the clause with its Alternate I. If the delivery schedule is expressed in terms of specific calendar dates or specific periods and is based on an assumed date the contractor will receive notice of award, the contracting officer may use the clause with its Alternate II. If the delivery schedule is to be based on the actual date the contractor receives a written notice of award, the contracting officer may use the clause with its Alternate III.

(3) The contracting officer may insert in solicitations and contracts for supplies or services a clause substantially the same as the clause at 52.212-2, Desired and Required Time of Delivery, if the Government desires delivery by a certain time but requires

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delivery by a specified later time, and the delivery schedule is to be based on the date of the contract. If the delivery schedule is expressed in terms of specific calendar dates or specific periods and is based on an assumed date of award, the contracting officer may use the clause with its Alternate I. If the delivery schedule is expressed in terms of specific calendar dates or specific periods and is based on an assumed date the contractor will receive notice of award, the contracting officer may use the clause with its Alternate II. If the delivery schedule is to be based on the actual date the contractor receives a written notice of award, the contracting officer may use the clause with its Alternate III.

(b) Construction. The contracting officer shall insert the clause at 52.212-3, Commencement, Prosecution, and Completion of Work, in solicitations and contracts when a fixed-price construction contract is contemplated. The clause may be changed to accommodate the issuance of orders under indefinite-delivery contracts. If the completion date is expressed as a specific calendar date, computed on the basis of the contractor receiving the notice to proceed by a certain day, the contracting officer may use the clause with its Alternate I.

**SUBPART 12.4 VARIATION IN
QUANTITY**

12.401 Supply contracts.

(a) A fixed-price supply contract may authorize Government acceptance of a variation in the quantity of items called for if the variation is caused by conditions of loading, shipping, or packing, or by allowances in manufacturing processes. Any permissible variation shall be stated as a percentage and it may be an increase, a decrease, or a combination of both; however, contracts for subsistence items may use other applicable terms of variation in quantity.

(b) There should be no standard or usual variation percentage. The overrun or underrun permitted in each contract should be based upon the normal commercial practices of a particular industry for a particular item, and the permitted percentage should be no larger than is necessary to afford a contractor

reasonable protection. The permissible variation shall not exceed plus or minus 10 percent unless a different limitation is established in agency regulations.

Consideration shall be given to the quantity to which the percentage variation applies. For example, when delivery will be made to multiple destinations and it is desired that the quantity variation apply to the item quantity for each destination, this requirement must be stated in the contract.

(c) Contractors are responsible for delivery of the specified quantity of items in a fixed-price contract, within allowable variations, if any. If a contractor delivers a quantity of items in excess of the contract requirements plus any allowable variation in quantity, particularly small dollar value overshipments, it results in unnecessary administrative costs to the Government in determining disposition of the excess quantity. Accordingly, the contract may include the clause at 52.212-10, Delivery of Excess Quantities, to provide that

(1) Excess quantities of items totaling up to \$250 in value may be retained without compensating the contractor; and

(2) Excess quantities of items totaling over \$250 in value may, at the Government's option, be either returned at the contractor's expense or retained and paid for at the contract unit price.

12.403 Contract clauses.

(a) The contracting officer shall insert the clause at 52.212-9, Variation in Quantity, in solicitations and contracts, when a fixed-price supply contract is contemplated for supplies, and for services that involve the furnishing of supplies.

(b) The contracting officer may insert the clause at 52.212-10, Delivery of Excess Quantities, in solicitations and contracts when a fixed-price supply contract is contemplated.

(c) The contracting officer shall insert the clause at 52.212-11, Variation in Estimated Quantity, in solicitations and contracts when a fixed-price construction contract is contemplated that authorizes a variation in the estimated quantity of unit-priced items.

**SUBPART 13.3 FAST PAYMENT
PROCEDURE**

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13.301 General.

The fast payment procedure allows payment under limited conditions to a contractor prior to the Government's verification that supplies have been received and accepted. The procedure provides for payment for supplies based on the contractor's submission of an invoice that constitutes a representation that—

(a) The supplies have been delivered to a post office, common carrier, or point of first receipt by the Government; and

(b) The contractor agrees to replace, repair, or correct supplies not received at destination, damaged in transit, or not conforming to purchase agreements.

13.302 Conditions for use.

If the conditions in paragraphs (a) through (f) of this section are present, the fast payment procedure may be used, provided that use of the procedure is consistent with the other conditions of the purchase. The conditions for use of the fast payment procedure are as follows:

(a) Individual orders do not exceed \$25,000 except that executive agencies may permit higher dollar limitations for specified activities or items on a case-by-case basis.

(b) Deliveries of supplies are to occur at locations where there is both a geographical separation and a lack of adequate communications facilities between Government receiving and disbursing activities that will make it impractical to make timely payment based on evidence of Government acceptance. Use of the fast payment procedure would not be indicated, for example, for small purchases by an activity if material being purchased is destined for use at that activity and contract administration will be performed by the purchasing office at that activity.

(c) Title to the supplies will vest in the Government (1) upon delivery to a post office or common carrier for mailing or shipment to destination, or (2) upon receipt by the Government if the shipment is by means other than Postal Service or common carrier.

(d) The supplier agrees to replace, repair, or correct supplies not received at destination,

damaged in transit, or not conforming to purchase requirements.

(e) The purchasing instrument is a firm-fixed price contract, a purchase order, or a delivery order for supplies.

(f) A system is in place to ensure (1) documenting evidence of contractor performance under fast payment acquisitions, (2) timely feedback to the contracting officer in case of contractor deficiencies, and (3) identification of suppliers who have a current history of abusing the fast payment procedure. (Also see Subpart 9.1.)

13.303 Preparation and execution of orders.

(a) Orders incorporating the fast payment procedure shall be issued on Optional Form 347, Order for Supplies or Services, or other agency authorized purchase order form (but see 13.204(e) for purchases under BPAOs). Orders may be either priced or unpriced.

(b) Contracts, purchase orders, or BPAOs using the fast payment procedure shall include the following:

(1) A requirement that the supplies be shipped transportation or postage prepaid.

(2) A requirement that invoices be submitted directly to the finance or other office designated in the order, or in the case of unpriced purchase orders, to the contracting officer (see 13.502(c)).

(3) The following statement on consignee's copy: Consignee's Notification to Purchasing Activity of Nonreceipt, Damage, or Nonconformance. The consignee shall notify the purchasing office promptly after the specified date of delivery of supplies not received, damaged in transit, or not conforming to specifications of the purchase order. Unless extenuating circumstances exist, the notification should be made not later than 60 days after the specified date of delivery.

(4) A requirement that the contractor mark outer shipping containers FAST PAY.

13.304 Responsibility for collection of debts.

The contracting officer shall be primarily responsible for collecting debts resulting from failure of contractors to properly replace, repair, or correct supplies lost,

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damaged, or not conforming to purchase requirements (see 32.605(b) and 32.606).

13.305 Contract clause.

The contracting officer shall insert the clause at 52.213-1, Fast Payment Procedure, in solicitations and contracts when the conditions in 13.302 are applicable and it is intended that the fast payment procedure be used in the contract (in the case of BPAOs, the contracting officer may elect to insert the clause either in the BPA or in orders under the BPA).

PART 14 SEALED BIDDING

14.000 Scope of part.

This part prescribes (a) the basic requirements of contracting for supplies and services (including construction) by sealed bidding, (b) the information to be included in the solicitation (invitation for bids), (c) procedures concerning the submission of bids, (d) requirements for opening and evaluating bids and awarding contracts, and (e) procedures for two-step sealed bidding.

SUBPART 14.1 USE OF SEALED BIDDING

14.101 Elements of sealed bidding.

Sealed bidding is a method of contracting that employs competitive bids, public opening of bids, and awards. The following steps are involved:

(a) Preparation of invitations for bids. Invitations must describe the requirements of the Government clearly, accurately, and completely. Unnecessarily restrictive specifications or requirements that might unduly limit the number of bidders are prohibited. The invitation includes all documents (whether attached or incorporated by reference) furnished prospective bidders for the purpose of bidding.

(b) Publicizing the invitation for bids. Invitations must be publicized through distribution to prospective bidders, posting in public places, and such other means as may be appropriate. Publicizing must occur a sufficient time before public opening of bids to enable prospective bidders to prepare and submit bids.

(c) Submission of bids. Bidders must submit sealed bids to be opened at the time and place stated in the solicitation for the public opening of bids.

(d) Evaluation of bids. Bids shall be evaluated without discussions.

(e) Contract award. After bids are publicly opened, an award will be made with reasonable promptness to that responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Government, considering only price and the price-related factors included in the invitation.

14.201-6 Solicitation provisions.

(a) The provisions prescribed in this subsection are limited to subjects that are general in nature, do not come under other subject areas of the FAR, and pertain to the preparation and submission of bids.

(b) The contracting officer shall insert in all invitations for bids the provisions at

(1) 52.214-1, Solicitation Definitions

(2) 52.214-2, Type of Business Organization

(3) 52.214-3, Amendments to Invitations for Bids; and

(4) 52.214-4, False Statements in Bids.

(c) The contracting officer shall insert the following provisions in invitations for bids unless they are for construction that is not estimated to exceed \$10,000. The use of these provisions in invitations for bids for construction that is not estimated to exceed \$10,000 is optional:

(1) 52.214-5, Submission of Bids.

(2) 52.214-6, Explanation to Prospective Bidders.

(3) 52.214-7, Late Submissions, Modifications, and Withdrawals of Bids.

(d) The contracting officer shall insert in invitations for bids, unless they are for construction that is not estimated to exceed \$10,000, the provision at 52.214-8, Parent Company and Identifying Data.

(e) The contracting officer shall insert in invitations for bids, except those for construction, the provisions at

(1) 52.214-9, Failure to Submit Bid; and

(2) 52.214-10, Contract Award

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(f) The contracting officer shall insert in invitations for bids to which the uniform contract format applies, the provision at 52.214-12, Preparation of Bids.

(g)(1) The contracting officer shall insert the provision at 52.214-13, Telegraphic Bids, in invitations for bids if the contracting officer decides to authorize telegraphic bids.

(2) The contracting officer shall insert the basic provision with its Alternate I in invitations for bids that are for perishable subsistence, and when the contracting officer considers that offerors will be unwilling to provide acceptance periods long enough to allow written confirmation.

(h) The contracting officer shall insert the provision at 52.214-14, Place of Performance—Sealed Bidding, in invitations for bids except those in which the place of performance is specified by the Government.

(i) The contracting officer shall insert the provision at 52.214-15, Period for Acceptance of Bids, in invitations for bids (IFBOs) that are not issued on SF 33 except IFBOs (1) for construction work or (2) in which the Government specifies a minimum acceptance period.

(j) The contracting officer shall insert the provision at 52.214-16, Minimum Bid Acceptance Period, in invitations for bids, except for construction, if the contracting officer determines that a minimum acceptance period must be specified.

(k) The contracting officer shall insert the provision at 52.214-17, Affiliated Bidders, in invitations for bids if the contracting officer determines that disclosure of affiliated bidders is necessary to prevent practices prejudicial to full and open competition, such as improper multiple bidding.

(l) The contracting officer shall insert the provision at 52.214-18, Preparation of Bids—Construction, in invitations for bids for construction work estimated to exceed \$10,000. The use of this provision in invitations for bids for construction work that is not estimated to exceed \$10,000 is optional.

(m) The contracting officer shall insert the provision at 52.214-19, Contract Award—Sealed Bidding—Construction, in all invitations for bids for construction work that is estimated to exceed \$10,000.

(n) Use of the provision at 52.215-4, Notice of Possible Standardization, may be appropriate in invitations for bids involving supplies that are likely to become standardized. See 15.407(b) regarding use of this provision in sealed bidding.

(o)(1) The contracting officer shall insert the provision at 52.214-20, Bid Samples, in invitations for bids if bid samples are required.

(2) If it appears that the conditions in 14.202-4(f)(1) will apply and the contracting officer anticipates granting waivers thereunder and—

(i) If the nature of the required product does not necessitate limiting the grant of a waiver to a product produced at the same plant in which the product previously acquired or tested was produced, the contracting officer shall use the provision with its Alternate I; or

(ii) If the nature of the required product necessitates limiting the grant of a waiver to a product produced at the same plant in which the product previously acquired or tested was produced, the contracting officer shall use the provision with its Alternate II.

(3) See 14.202-4(f)(2) regarding waiving the requirement for all bidders.

(p)(1) The contracting officer shall insert the provision at 52.214-21, Descriptive Literature, in invitations for bids if (i) descriptive literature is required to evaluate the technical acceptability of an offered product and (ii) the required information will not be readily available unless it is submitted by bidders.

(2) Use the basic clause with its Alternate I if the possibility exists that the contracting officer may waive the requirement for furnishing descriptive literature for a bidder offering a previously supplied product that meets specification requirements of the current solicitation.

(3) See 14.202-5(e)(2) regarding waiving the requirement for all bidders.

(q) The contracting officer shall insert the provision at 52.214-22, Evaluation of Bids for Multiple Awards, in invitations for bids if the contracting officer determines that multiple awards might be made if doing so is economically advantageous to the Government.

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(r) The contracting officer shall insert the provision at 52.214-23, Late Submissions, Modifications, and Withdrawals of Technical Proposals under Two-Step Sealed Bidding, in solicitations for technical proposals in step one of two-step sealed bidding.

(s) The contracting officer shall insert the provision at 52.214-24, Multiple Technical Proposals, in solicitations for technical proposals in step one of two-step sealed bidding if the contracting officer permits the submission of multiple technical proposals.

(t) The contracting officer shall insert the provision at 52.214-25, Step Two of Two-Step Sealed Bidding, in invitations for bids issued under step two of two-step sealed bidding.

14.201-7 Contract clauses.

(a) When contracting by sealed bidding, the contracting officer shall insert the clause at 52.214-26, Audit-Sealed Bidding, in solicitations and contracts if the contract amount is expected to exceed \$100,000.

(b)(1) When contracting by sealed bidding, the contracting officer shall insert the clause at 52.214-27, Price Reduction for Defective Cost or Pricing Data-Sealed Bidding, in solicitations and contracts if the contract amount is expected to exceed \$100,000.

(2) In exceptional cases, the head of the contracting activity may waive the requirement for inclusion of the clause in a contract with a foreign government or agency of that government. The authorizations for the waiver and the reasons for granting it shall be in writing.

(c)(1) When contracting by sealed bidding, the contracting officer shall insert the clause at 52.214-28, Subcontractor Cost or Pricing Data-Modifications-Sealed Bidding, in solicitations and contracts if the contract amount is expected to exceed \$100,000.

(2) In exceptional cases, the head of the contracting activity may waive the requirement for inclusion of the clause in a contract with a foreign government or agency of that government. The authorizations for the waiver and the reasons for granting it shall be in writing.

(d) When contracting by sealed bidding the contracting officer shall insert the clause at 52.214-29, Order of Precedence-Sealed Bidding, in solicitations and contracts to which the uniform contract format applies.

**SUBPART 16.1-SELECTING
CONTRACT TYPES**

16.101 General.

(a) A wide selection of contract types is available to the Government and contractors in order to provide needed flexibility in acquiring the large variety and volume of supplies and services required by agencies. Contract types vary according to (1) the degree and timing of the responsibility assumed by the contractor for the costs of performance and (2) the amount and nature of the profit incentive offered to the contractor for achieving or exceeding specified standards or goals.

(b) The contract types are grouped into two broad categories: fixed-price contracts (see Subpart 16.2) and cost-reimbursement contracts (see Subpart 16.3). The specific contract types range from firm-fixed-price, in which the contractor has full responsibility for the performance costs and resulting profit (or loss), to cost-plus-fixed-fee, in which the contractor has minimal responsibility for the performance costs and the negotiated fee (profit) is fixed. In between are the various incentive contracts (see Subpart 16.4), in which the contractor's responsibility for the performance costs and the profit or fee incentives offered are tailored to the uncertainties involved in contract performance.

16.102 Policies.

(a) Contracts resulting from sealed bidding shall be firm-fixed-price contracts or fixed-price contracts with economic price adjustment.

(b) Contracts negotiated under Part 15 may be of any type or combination of types that will promote the Government's interest, except as restricted in this part (see 10 U.S.C. 2306(a) and 41 U.S.C. 254(a)). Contract types not described in this regulation shall not be used, except as a deviation under Subpart 1.4.

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(c) The cost-plus-a-percentage-of-cost system of contracting shall not be used (see 10 U.S.C. 2306(a) and 41 U.S.C. 254(b)). Prime contracts (including letter contracts) other than firm-fixed-price contracts shall, by an appropriate clause, prohibit cost-plus-a-percentage-of-cost subcontracts (see clauses prescribed in Subpart 44.2 for cost-reimbursement contracts and Subparts 16.2 and 16.4 for fixed-price contracts).

(d) No contract may be awarded before the execution of any determination and findings (D&FÖs) required by this part. Minimum requirements for the content of D&FÖs required by this part are specified in 1.704.

16.103 Negotiating contract type.

(a) Selecting the contract type is generally a matter for negotiation and requires the exercise of sound judgment. Negotiating the contract type and negotiating prices are closely related and should be considered together. The objective is to negotiate a contract type and price (or estimated cost and fee) that will result in reasonable contractor risk and provide the contractor with the greatest incentive for efficient and economical performance.

(b) A firm-fixed-price contract, which best utilizes the basic profit motive of business enterprise, shall be used when the risk involved is minimal or can be predicted with an acceptable degree of certainty. However, when a reasonable basis for firm pricing does not exist, other contract types should be considered, and negotiations should be directed toward selecting a contract type (or combination of types) that will appropriately tie profit to contractor performance.

(c) In the course of an acquisition program, a series of contracts, or a single long-term contract, changing circumstances may make a different contract type appropriate in later periods than that used at the outset. In particular, contracting officers should avoid protracted use of a cost-reimbursement or time-and-materials contract after experience provides a basis for firmer pricing.

(d) Each contract file shall include documentation to show why the particular

contract type was selected. Exceptions to this requirement are (1) small purchases under Part 13, (2) contracts on a firm fixed-price basis other than those for major systems or research and development, and (3) awards on the set-aside portion of sealed bid partial set-asides for small business or labor surplus area concerns.

16.104 Factors in selecting contract types.

There are many factors that the contracting officer should consider in selecting and negotiating the contract type. They include the following:

(a) Price competition. Normally, effective price competition results in realistic pricing, and a fixed-price contract is ordinarily in the Government's interest.

(b) Price analysis. Price analysis, with or without competition, may provide a basis for selecting the contract type. The degree to which price analysis can provide a realistic pricing standard should be carefully considered. (See 15.805-2.)

(c) Cost analysis. In the absence of effective price competition and if price analysis is not sufficient, the cost estimates of the offeror and the Government provide the bases for negotiating contract pricing arrangements. It is essential that the uncertainties involved in performance and their possible impact upon costs be identified and evaluated, so that a contract type that places a reasonable degree of cost responsibility upon the contractor can be negotiated.

(d) Type and complexity of the requirement. Complex requirements, particularly those unique to the Government, usually result in greater risk assumption by the Government. This is especially true for complex research and development contracts, when performance uncertainties or the likelihood of changes makes it difficult to estimate performance costs in advance. As a requirement recurs or as quantity production begins, the cost risk should shift to the contractor, and a fixed-price contract should be considered.

(e) Urgency of the requirement. If urgency is a primary factor, the Government may choose to assume a greater proportion of

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risk or it may offer incentives to ensure timely contract performance.

(f) Period of performance or length of production run. In times of economic uncertainty, contracts extending over a relatively long period may require economic price adjustment terms.

(g) Contractor's technical capability and financial responsibility.

(h) Adequacy of the contractor's accounting system. Before agreeing on a contract type other than firm-fixed-price, the contracting officer shall ensure that the contractor's accounting system will permit timely development of all necessary cost data in the form required by the proposed contract type. This factor may be critical when the contract type requires price revision while performance is in progress, or when a cost-reimbursement contract is being considered and all current or past experience with the contractor has been on a fixed-price basis.

(i) Concurrent contracts. If performance under the proposed contract involves concurrent operations under other contracts, the impact of those contracts, including their pricing arrangements, should be considered.

(j) Extent and nature of proposed subcontracting. If the contractor proposes extensive subcontracting, a contract type reflecting the actual risks to the prime contractor should be selected.

16.105 Solicitation provision.

The contracting officer shall complete and insert the provision at 52.216-1, Type of Contract, in requests for proposals and in requests for quotations unless the solicitation is for (a) a small purchase (see Part 13) or (b) information or planning purposes (see 15.405).

SUBPART 17.2 OPTIONS

17.200 Scope of subpart.

This subpart prescribes policies and procedures for the use of option solicitation provisions and contract clauses. Except as provided in agency regulations, this subpart does not apply to contracts for (a) services involving the construction, alteration, or repair (including dredging, excavating, and painting) of buildings, bridges, roads, or

other kinds of real property; (b) architect-engineer services; (c) research and development services; (d) automatic data processing (ADP) equipment systems; and (e) telecommunications equipment and services. However, it does not preclude the use of options in those contracts.

17.201 Definition.

Option means a unilateral right in a contract by which, for a specified time, the Government may elect to purchase additional supplies or services called for by the contract, or may elect to extend the term of the contract.

17.202 Use of options.

(a) Subject to the limitations of paragraphs (b) and (c) below, the contracting officer may include options in contracts when it is in the Government's interest. (See 17.207(f) with regard to the exercise of options.)

(b) Inclusion of an option is normally not in the Government's interest when, in the judgment of the contracting officer, the foreseeable requirements involve—

(1) Minimum economic quantities (i.e., quantities large enough to permit the recovery of startup costs and the production of the required supplies at a reasonable price); and

(2) Delivery requirements far enough into the future to permit competitive acquisition, production, and delivery.

(c) The contracting officer shall not employ options if—

(1) The supplies or services are readily available on the open market;

(2) The contractor will incur undue risks; e.g., the price or availability of necessary materials or labor is not reasonably foreseeable;

(3) An indefinite quantity or requirements contract is appropriate (except that the contracting officer may use options for extending the term of such contracts);

(4) Market prices for the supplies or services involved are likely to change substantially; or

(5) The option represents known firm requirements for which funds are available unless (i) the basic quantity is a learning or testing quantity and (ii) competition for the

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option is impracticable once the initial contract is awarded.

(d) In recognition of (1) the Government's need in certain service contracts for continuity of operations and (2) the potential cost of disrupted support, options may be included in service contracts if there is an anticipated need for a similar service beyond the first contract period.

17.203 Solicitations.

(a) Solicitations shall include appropriate option provisions and clauses when resulting contracts will provide for the exercise of options (see 17.208).

(b) Solicitations containing option provisions shall state the basis of evaluation, either exclusive or inclusive of the option and, when appropriate, shall inform offerors that it is anticipated that the Government may exercise the option at time of award.

(c) Solicitations normally should allow option quantities to be offered without limitation as to price, and there shall be no limitation as to price if the option quantity is to be considered in the evaluation for award (see 17.206).

(d) Solicitations that allow the offer of options at unit prices which differ from the unit prices for the basic requirement shall state that offerors may offer varying prices for options, depending on the quantities actually ordered and the dates when ordered.

(e) If it is anticipated that the Government may exercise an option at the time of award and if the condition specified in paragraph (d) above applies, solicitations shall specify the price at which the Government will evaluate the option (highest option price offered or option price for specified requirements).

(f) Solicitations may, in unusual circumstances, require that options be offered at prices no higher than those for the initial requirement; e.g., when (1) the option cannot be evaluated under 17.206, or (2) future competition for the option is impracticable.

(g) Solicitations that require the offering of an option at prices no higher than those for the initial requirement shall

(1) Specify that the Government will accept an offer containing an option price higher than the base price only if the

acceptance does not prejudice any other offeror; and

(2) Limit option quantities for additional supplies to not more than 50 percent of the initial quantity of the same contract line item. In unusual circumstances, an authorized person at a level above the contracting officer may approve a greater percentage of quantity.

(h) See 25.402(a)(4) regarding use of options in calculating the estimated contract amount for application of the Trade Agreements Act threshold.

17.204 Contracts.

(a) The contract shall specify limits on the purchase of additional supplies or services, or the overall duration of the term of the contract, including any extension.

(b) The contract shall state the period within which the option may be exercised.

(c) The period shall be set so as to provide the contractor adequate lead time to ensure continuous production.

(d) The period may extend beyond the contract completion date for service contracts. This is necessary for situations when exercise of the option would result in the obligation of funds that are not available in the fiscal year in which the contract would otherwise be completed.

(e) Unless otherwise approved in accordance with agency procedures, the total of the basic and option periods shall not exceed 5 years in the case of services, and the total of the basic and option quantities shall not exceed the requirement for 5 years in the case of supplies. Statutes applicable to various classes of contracts may place additional restrictions on the length of contracts.

(f) Contracts may express options for increased quantities of supplies or services in terms of (1) percentage of specific line items, (2) increase in specific line items, or (3) additional numbered line items identified as the option.

(g) Contracts may express extensions of the term of the contract as an amended completion date or as additional time for performance; e.g., days, weeks, or months.

17.205 Documentation.

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(a) The contracting officer shall justify in writing the quantities or the term under option, the notification period for exercising the option, and any limitation on option price under 17.203(g); and shall include the justification document in the contract file.

(b) Any justifications and approvals and any determination and findings required by Part 6 shall specify both the basic requirement and the increase permitted by the option.

17.206 Evaluation.

(a) In awarding the basic contract, the contracting officer shall, except as provided in paragraph (b) of this section, evaluate offers for any option quantities or periods contained in a solicitation when it has been determined prior to soliciting offers that the Government is likely to exercise the options. (See 17.208.)

(b) The contracting officer need not evaluate offers for any option quantities when it is determined that evaluation would not be in the best interests of the Government and this determination is approved at a level above the contracting officer. An example of a circumstance that may support a determination not to evaluate offers for option quantities is when there is a reasonable certainty that funds will be unavailable to permit exercise of the option.

17.207 Exercise of options.

(a) When exercising an option, the contracting officer shall provide written notice to the contractor within the time period specified in the contract.

(b) When the contract provides for economic price adjustment and the contractor requests a revision of the price, the contracting officer shall determine the effect of the adjustment on prices under the option before the option is exercised.

(c) The contracting officer may exercise options only after determining that—

- (1) Funds are available;
- (2) The requirement covered by the option fulfills an existing Government need;
- (3) The exercise of the option is the most advantageous method of fulfilling the Government's need, price and other factors

(see paragraphs (d) and (e) below) considered; and

(4) The option was synopsisized in accordance with Part 5 unless exempted by 5.202(a)(11) or other appropriate exemptions in 5.202.

(d) The contracting officer, after considering price and other factors, shall make the determination on the basis of one of the following:

(1) A new solicitation fails to produce a better price or a more advantageous offer than that offered by the option. If it is anticipated that the best price available is the option price or that this is the more advantageous offer, the contracting officer should not use this method of testing the market.

(2) An informal analysis of prices or an examination of the market indicates that the option price is better than prices available in the market or that the option is the more advantageous offer.

(3) The time between the award of the contract containing the option and the exercise of the option is so short that it indicates the option price is the lowest price obtainable or the more advantageous offer. The contracting officer shall take into consideration such factors as market stability and comparison of the time since award with the usual duration of contracts for such supplies or services.

(e) The determination of other factors under (c)(3) of this section should take into account the Government's need for continuity of operations and potential costs of disrupting operations.

(f) Before exercising an option, the contracting officer shall make a written determination for the contract file that exercise is in accordance with the terms of the option, the requirements of this section, and Part 6. To satisfy requirements of Part 6 regarding full and open competition, the option must have been evaluated as part of the initial competition and be exercisable at an amount specified in or reasonably determinable from the terms of the basic contract, e.g.,—

- (1) A specific dollar amount;
- (2) An amount to be determined by applying provisions (or a formula) provided in the basic contract, but not including

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renegotiation of the price for work in a fixed-price type contract;

(3) In the case of a cost-type contract, if

(i) The option contains a fixed or maximum fee; or

(ii) The fixed or maximum fee amount is determinable by applying a formula contained in the basic contract (but see 16.102(c));

(4) A specific price that is subject to an economic price adjustment provision; or

(5) A specific price that is subject to change as the result of changes to prevailing labor rates provided by the Secretary of Labor.

(g) The contract modification or other written document which notifies the contractor of the exercise of the option shall cite the option clause as authority.

17.208 Solicitation provisions and contract clauses.

(a) The contracting officer shall insert a provision substantially the same as the provision at 52.217-3, Evaluation Exclusive of Options, in solicitations when the solicitation includes an option clause and does not include one of the provisions prescribed in paragraph (b) or (c) below.

(b) The contracting officer shall insert a provision substantially the same as the provision at 52.217-4, Evaluation of Options Exercised at Time of Contract Award, in solicitations when the solicitation includes an option clause, a determination has been made that there is a reasonable likelihood that the option will be exercised, and the option may be exercised at the time of contract award.

(c) The contracting officer shall insert a provision substantially the same as the provision at 52.217-5, Evaluation of Options, in solicitations when

(1) The solicitation contains an option clause;

(2) An option is not to be exercised at the time of contract award;

(3) A firm-fixed-price contract, a fixed-price contract with economic price adjustment, or other type of contract approved under agency procedures is contemplated; and

(4) A determination has been made that there is a reasonable likelihood that the option will be exercised.

(d) The contracting officer shall insert a clause substantially the same as the clause at 52.217-6, Option for Increased Quantity, in solicitations and contracts, other than those for services, when the inclusion of an option is appropriate (see 17.200 and 17.202) and the option quantity is expressed as a percentage of the basic contract quantity or as an additional quantity of a specific line item.

(e) The contracting officer shall insert a clause substantially the same as the clause at 52.217-7, Option for Increased Quantity Separately Priced Line Item, in solicitations and contracts, other than those for services, when the inclusion of an option is appropriate (see 17.200 and 17.202) and the option quantity is identified as a separately priced line item having the same nomenclature as a corresponding basic contract line item.

(f) The contracting officer shall insert a clause substantially the same as the clause at 52.217-8, Option to Extend Services, in solicitations and contracts for services when the inclusion of an option is appropriate. (See 17.200, 17.202, and 37.111.)

(g) The contracting officer shall insert a clause substantially the same as the clause at 52.217-9, Option to Extend the Term of the Contract, in solicitations and contracts for services when the inclusion of an option is appropriate (see 17.200 and 17.202) and it is necessary to include in the contract a requirement that the Government shall give the contractor a preliminary written notice of its intent to extend the contract, a stipulation that an extension of the contract includes an extension of the option, and/or a specified limitation on the total duration of the contract.

**SUBPART 19.3 DETERMINATION
OF STATUS AS A SMALL
BUSINESS CONCERN**

19.301 Representation by the offeror.

(a) To be eligible for award as a small business, an offeror must represent in good faith that it is a small business at the time of written self certification. An offeror may represent that it is a small business concern in connection with a specific solicitation if it

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meets the definition of a small business concern applicable to the solicitation and has not been determined by the Small Business Administration (SBA) to be other than a small business.

(b) The contracting officer shall accept an offeror's representation in a specific bid or proposal that it is a small business unless (1) another offeror or interested party challenges the concern's small business representation or (2) the contracting officer has a reason to question the representation. Challenges of and questions concerning a specific representation shall be referred to the SBA in accordance with 19.302.

(c) An offeror's representation that it is a small business is not binding on the SBA. If an offeror's small business status is challenged, the SBA will evaluate the status of the concern and make a determination, which will be binding on the contracting officer, as to whether the offeror is a small business. A concern cannot become eligible for a specific award by taking action to meet the definition of a small business concern after the SBA has determined that it is not a small business.

19.304 Solicitation provisions.

(a) The contracting officer shall insert the provision at 52.219-1, Small Business Concern Representation, in solicitations when the contract is to be performed inside the United States, its territories or possessions, Puerto Rico, the Trust Territory of the Pacific Islands, or the District of Columbia.

(b) The contracting officer shall insert the provision at 52.219-2, Small Disadvantaged Business Concern Representation, in solicitations (other than those for small purchases), when the contract is to be performed inside the United States, its territories or possessions, Puerto Rico, the Trust Territory of the Pacific Islands, or the District of Columbia.

(c) The contracting officer shall insert the provision at 52.219-3, Women-Owned Small Business Representation, in solicitations (other than those for small purchases), when the contract is to be performed inside the United States, its territories or possessions,

Puerto Rico, the Trust Territory of the Pacific Islands, or the District of Columbia.

**SUBPART 19.5 SET-ASIDES FOR
SMALL BUSINESS**

19.501 General.

(a) The purpose of small business set-asides is to award certain acquisitions exclusively to small business concerns. A set-aside for small business is the reserving of an acquisition exclusively for participation by small business concerns. A set-aside may be open to all small businesses or, except for the Department of Defense, restricted to small businesses located in labor surplus areas. A set-aside of a single acquisition or a class of acquisitions may be total or partial.

(b) The determination to make a set-aside may be unilateral or joint. A unilateral determination is one which is made by the contracting officer. A joint determination is one which is recommended by the Small Business Administration (SBA) procurement center representative and concurred in by the contracting officer.

(c) The contracting officer shall review acquisitions to determine if they can be set aside for small business, giving consideration to the recommendations of agency personnel having cognizance of the agency's small and disadvantaged business utilization program and documenting why a set-aside is inappropriate when the acquisition is not set aside. If the acquisition is set aside based on this review, it is a unilateral set-aside by the contracting officer. Agencies may establish threshold levels for this review depending upon their needs. In automated contracting systems, all proposed acquisitions which are not small business-small purchase set-asides will be considered for small business set-asides in accordance with 19.502-2(a). If necessary, the screening for set-asides will be accomplished before entering such requirements into the system.

(d) At the request of an SBA procurement center representative, the contracting officer shall make available for review at the contracting office (to the extent of the SBA representative's security clearance) all proposed acquisitions in excess of \$10,000

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that have not been unilaterally set aside for small business.

(e) To the extent practicable, unilateral determinations initiated by a contracting officer shall be used as the basis for small business set-asides rather than joint determinations by an SBA procurement center representative and a contracting officer.

(f)(1) Consistent with the requirements of Pub. L. 95- 507, a special category of set-asides, identified as small business-small purchase set-asides, has been established for acquisitions of supplies or services that have an anticipated dollar value of \$25,000 or less and are subject to small purchase procedures (see 13.105 and 19.508).

(2) A small nonmanufacturer responding to a small business-small purchase set-aside may furnish any domestically produced or manufactured product.

(g) Once a product or service has been acquired successfully by a contracting office on the basis of a small business set-aside, all future requirements of that office for that particular product or service not subject to simplified small purchase procedures shall, if required by agency regulations, be acquired on the basis of a repetitive set-aside. This procedure will be followed unless the contracting officer determines that there is not a reasonable expectation that (1) offers will be obtained from at least two responsible small business concerns offering the products of different small business concerns and (2) awards will be made at fair market prices. Withdrawal of a repetitive set-aside will be in accordance with 19.506.

(h) If a proposed small business set-aside is estimated to exceed \$1,000,000 in value and a bond is required, the contracting officer shall, to the extent practicable, divide requirements so as to allow more than one concern to perform the work.

(i) All solicitations involving set-asides must specify the applicable small business size standard and product classification (see 19.303).

(j) Except as authorized by law, a contract may not be awarded as a result of a set-aside if the cost to the awarding agency exceeds the fair market price.

(k) Section 133 of Pub. L. 100-590 authorizes public and private organizations for the handicapped to participate for fiscal years 1989 through 1993 in acquisitions set-aside for small business concerns. An interested party may file a protest of an organization's status within 5 days after announcement of an award. Within 10 days after announcement of an award to an organization for the handicapped, any small business concern which experiences or is likely to experience severe economic injury as a result of the award may file an appeal of the award. Such protests and appeals shall be filed with the Associate Administrator for Procurement Assistance, Small Business Administration, whose decision will be final, with a copy to the contracting officer. After receipt of notice of a protest or appeal, the contracting officer shall not award the contract until (1) SBA has made a decision or (2) 10 business days have expired since receipt of the protest or appeal, whichever occurs first; however, award shall not be withheld when the contracting officer determines in writing that an award must be made to protect the public interest.

19.502 Setting aside acquisitions.

19.502-1 Requirements for setting aside acquisitions.

Using the order of precedence in 19.504, the contracting officer shall set aside an individual acquisition or class of acquisitions when it is determined to be in the interest of (a) maintaining or mobilizing the Nation's full productive capacity, (b) war or national defense programs, or (c) assuring that a fair proportion of Government contracts in each industry category is placed with small business concerns, and when the circumstances described in 19.502-2 or 19.502-3(a) exist.

19.502-2 Total set-asides.

(a) The entire amount of an individual acquisition or class of acquisitions, including contracts for architect-engineer services, research, development, test and evaluation, maintenance repair, and construction except small business-small purchase set-asides, shall be set aside for exclusive small business

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participation if the contracting officer determines that there is a reasonable expectation that (1) offers will be obtained from at least two responsible small business concerns offering the products of different small business concerns (but see paragraph (b) of this subsection); and (2) awards will be made at fair market prices. Total set-asides shall not be made unless such a reasonable expectation exists (but see 19.502-3 as to partial set-asides). Although past acquisition history of the item or similar items is always important, it is not the only factor to be considered in determining whether a reasonable expectation exists. In making R&D small business set-asides, there must also be a reasonable expectation of obtaining from small business the best scientific and technological sources consistent with the demands of the proposed acquisition for the best mix of cost, performances, and schedules.

(b) In industries where the SBA finds that there are no small business manufacturers, it may waive the nonmanufacturers rule for regular dealers (see 19.102(f)(5)). This would permit small business regular dealers to provide any domestically produced product. In these cases, the contracting officer's determination in subparagraph (a)(1) of this subsection will be based on offers from at least two responsible small business regular dealers offering the products of different domestic concerns.

19.502-3 Partial set-asides.

(a) The contracting officer shall set aside a portion of an acquisition, except for construction, for exclusive small business participation when—

(1) A total set-aside is not appropriate (see 19.502-2);

(2) The requirement is severable into two or more economic production runs or reasonable lots;

(3) One or more small business concerns are expected to have the technical competence and productive capacity to satisfy the set-aside portion of the requirement at a fair market price;

(4) The acquisition is not subject to small purchase procedures; and

(5) A partial set-aside shall not be made if there is a reasonable expectation that only two concerns (one large and one small) with capability will respond with offers unless authorized by the head of a contracting activity on a case-by-case basis. Similarly, a class of acquisitions, not including construction, may be partially set aside. Under certain specified conditions, partial set-asides may be used in conjunction with multiyear contracting procedures.

(b) When the contracting officer determines that a portion of an acquisition is to be set aside, the requirement shall be divided into a set-aside portion and a non-set-aside portion, each of which shall (1) be an economic production run or reasonable lot and (2) have terms and a delivery schedule comparable to the other. When practicable, the set-aside portion should make maximum use of small business capacity.

(c)(1) The contracting officer shall award the non-set-aside portion using normal contracting procedures.

(2)(i) After all awards have been made on the non-set-aside portion, the contracting officer shall negotiate with eligible concerns on the set-aside portion, as provided in the solicitation, and make award. Negotiations shall be conducted only with those offerors who have submitted responsive offers on the non-set-aside portion. Negotiations shall be conducted with small business concerns in the order of priority as indicated in the solicitation (but see (ii) below). The set-aside portion shall be awarded as provided in the solicitation. An offeror entitled to receive the award for quantities of an item under the non-set-aside portion and who accepts the award of additional quantities under the set-aside portion shall not be requested to accept a lower price because of the increased quantities of the award, nor shall negotiation be conducted with a view to obtaining such a lower price based solely upon receipt of award of both portions of the acquisition. This does not prevent acceptance by the contracting officer of voluntary reductions in the price from the low eligible offeror before award, acceptance of voluntary refunds, or the change of prices after award by negotiation of a contract modification.

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(ii) If equal low offers are received on the non-set-aside portion from concerns eligible for the set-aside portion, the concern that is awarded the non-set-aside part of the acquisition shall have first priority with respect to negotiations for the set-aside.

19.502-4 Methods of conducting set-asides.

(a) Total and partial small business set-asides may be conducted by using sealed bids (see Part 14) or competitive proposals (see Part 15). (See Part 6 for competition requirements.)

(b) Except for offers on the non-set-aside portion of partial set-asides, offers received from concerns that do not qualify as small business concerns shall be considered nonresponsive and shall be rejected.

19.502-5 Insufficient causes for not setting aside an acquisition.

None of the following is, in itself, sufficient cause for not setting aside an acquisition:

(a) A large percentage of previous contracts for the required item(s) has been placed with small business concerns.

(b) The item is on an established planning list under the Industrial Readiness Planning Program. However, a total set-aside shall not be made when the list contains a large business Planned Emergency Producer of the item(s) who has conveyed a desire to supply some or all of the required items.

(c) The item is on a Qualified Products List. However, a total set-aside shall not be made if the list contains the products of large businesses unless none of the large businesses desire to participate in the acquisition.

(d) A period of less than 30 days is available for receipt of offers.

(e) The contract is classified.

(f) Small business concerns are already receiving a fair proportion of the agency's contracts for supplies and services.

(g) A class set-aside of the item or service has been made by another contracting activity.

(h) A brand name or equal product description will be used in the solicitation.

19.504 Set-aside program order of precedence.

(a) In carrying out small business set-aside programs, contracting officers of agencies other than the Department of Defense (DOD) shall award contracts and encourage placement of subcontracts in the following order of precedence (see 15 U.S.C. 644(e) and (f) and Pub. L. 96-302):

(1) A total set-aside for small business concerns located in labor surplus areas.

(2) A total set-aside for small business concerns.

(3) A partial set-aside for small business concerns located in labor surplus areas.

(4) A partial set-aside for small business concerns.

(5) Total labor surplus area set-aside for concerns that are not small businesses.

(b) Set-aside priorities of DOD are different from the above and are set forth in the DOD FAR Supplement.

19.505 Rejecting Small Business Administration recommendations.

(a) If the contracting officer rejects a recommendation of the SBA procurement center representative or breakout procurement center representative, written notice shall be furnished to the appropriate SBA center representative within 5 business days of the contracting officer's receipt of the recommendation.

(b) The SBA procurement center representative may appeal the contracting officer's rejection to the head of the contracting activity (or designee) within 2 business days after receiving the notice. The head of the contracting activity (or designee) shall render a decision in writing, and provide it to the SBA representative within 7 business days. Pending issuing the decision to the SBA procurement center representative, the contracting officer shall suspend action on the acquisition.

(c) If the head of the contracting activity agrees that the contracting officer's rejection was appropriate, the SBA procurement center representative may

(1) Within 1 business day, request the contracting officer to suspend action on the acquisition until the SBA Administrator

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appeals to the agency head (see paragraph (f) below); and

(2) The SBA shall be allowed 15 business days after making such a written request, within which the Administrator of SBA (i) may appeal to the Secretary of the Department concerned, and (ii) shall notify the contracting officer whether the further appeal has, in fact, been taken. If notification is not received by the contracting officer within the 15-day period, it shall be deemed that the SBA request to suspend contracting action has been withdrawn and that an appeal to the Secretary was not taken.

(d) When the contracting officer has been notified within the 15-day period that the SBA has appealed to the agency head, the head of the contracting activity (or designee) shall forward justification for its decision to the agency head. The contracting officer shall suspend contract action until notification is received that the SBA appeal has been settled.

(e) The agency head shall reply to the SBA within 30 business days after receiving the appeal. The decision of the agency head shall be final.

(f) A request to suspend action on an acquisition need not be honored if the contracting officer determines that proceeding to contract award and performance is in the public interest. The contracting officer shall include in the contract file a statement of the facts justifying the determination, and shall promptly notify the SBA representative of the determination and provide a copy of the justification.

19.508 Solicitation provisions and contract clauses.

(a) The contracting officer shall insert the provision at 52.219-4, Notice of Small Business-Small Purchase Set- Aside, in each written solicitation of quotations or offers to provide supplies and/or services when (1) the contract is to be performed inside the United States, its territories or possessions, Puerto Rico, or the Trust Territory of the Pacific Islands, (2) the contract amount is expected to be \$25,000 or less, and (3) the acquisition is subject to small purchase procedures; unless purchase on an unrestricted basis is appropriate, as specified in 13.105(d).

(b) (This paragraph (b) does not apply to DOD.) The contracting officer shall insert the clause at 52.219-5, Notice of Total Small Business-Labor Surplus Area Set-Aside, in solicitations and contracts involving total small business-labor surplus area set-asides (see 19.504(a)(1)).

(c) The contracting officer shall insert the clause at 52.219-6, Notice of Total Small Business Set-Aside, in solicitations and contracts involving total small business set-asides (see 19.504(a)(2)).

(d) The contracting officer shall insert the clause at 52.219-7, Notice of Partial Small Business Set-Aside, in solicitations and contracts involving partial small business set-asides (see 19.504(a)(4)).

(e) The contracting officer shall insert the clause at 52.219-14, Limitations on Subcontracting, in solicitations and contracts, except those awarded using small purchase procedures in Part 13, for supplies, services, and construction, if any portion of the requirement is to be set aside for small business, or if the contract is to be awarded under Subpart 19.8.

(f) The contracting officer shall insert the clause at 52.219-15, Notice of Participation by Organizations for the Handicapped, in solicitations and contracts issued through September 30, 1993, involving total or partial small business set-asides.

**SUBPART 23.4ÑUSE OF
RECOVERED MATERIALS**

23.401 Authority.

(a) The statutory basis for this program is the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. 6901, et seq.).

(b) The statute requires agencies responsible for drafting or reviewing specifications to ensure that Government specifications and standards (1) do not exclude the use of recovered materials, (2) do not require the item to be manufactured from virgin materials, and (3) require the use of recovered materials to the maximum extent possible without jeopardizing the intended end use of the item.

(c) The statute also requires the Environmental Protection Agency to prepare

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guidelines on the availability, sources, and potential uses of recovered materials and associated items, including solid waste management services.

23.402 Definitions.

Recovered materials means materials that have been collected or recovered from solid waste.

Solid waste means (a) any garbage, refuse, or sludge from a waste treatment plant, water supply treatment plant, or air pollution control facility; and (b) other discarded material, including solid, liquid, semisolid, or contained gaseous material resulting from industrial, commercial, mining, and agricultural operations, and from community activities. It does not include solid or dissolved material in domestic sewage, or solid or dissolved material in irrigation return flows or industrial discharges which are point sources subject to permits under section 402 of the Clean Water Act, (33 U.S.C. 1342, et seq.), or source, special nuclear, or byproduct material as defined by the Atomic Energy Act of 1954 (42 U.S.C. 2011, et seq.).

23.403 Policy.

The Government's policy is to acquire items composed of the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, without adversely affecting performance requirements or exposing suppliers' employees to undue hazards from the recovered materials.

23.404 Procedures.

(a) These procedures apply to all acquisitions that require minimum percentages of recovered materials, when the price of the item exceeds \$10,000 or when the aggregate amount paid for items, or of functionally equivalent items, in the preceding fiscal year was \$10,000 or more.

(b) The contracting officer may waive requirements for using recovered materials only after determining that the items containing recovered materials

(1) Are not available within a reasonable period of time;

(2) Fail to meet performance standards in the specifications; or

(3) Are available only at unreasonable prices.

(c) Any determination made under 23.404(b)(2) shall be made on the basis of Bureau of Standards guidelines in any case in which the material is covered by these guidelines.

23.405 Solicitation provision.

The contracting officer shall insert the provision at 52.223-4, Recovered Material Certification, in solicitations that incorporate specifications requiring the use of recovered materials

SUBPART 32.1 GENERAL

32.100 Scope of subpart.

This subpart provides policies and procedures applicable to the general subject of contract financing and payment.

32.111 Contract clauses.

(a) The contracting officer shall insert the following clauses, appropriately modified with respect to payment due dates, in accordance with agency regulations

(1) The clause at 52.232-1, Payments, in solicitations and contracts when a fixed-price supply contract, a fixed-price service contract, or a contract for nonregulated communication services is contemplated;

(2) The clause at 52.232-2, Payment under Fixed-Price Research and Development Contracts, in solicitations and contracts when a fixed-price research and development contract is contemplated;

(3) The clause at 52.232-3, Payments under Personal Services Contracts, in solicitations and contracts for personal services;

(4) The clause at 52.232-4, Payments under Transportation Contracts and Transportation-Related Services Contracts, in solicitations and contracts for transportation or transportation-related services;

(5) The clause at 52.232-5, Payments under Fixed-Price Construction Contracts, in solicitations and contracts for construction when a fixed-price contract is contemplated; and

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(6) The clause at 52.232-6, Payments under Communication Service Contracts with Common Carriers, in solicitations and contracts for regulated communication services by common carriers.

(b) The contracting officer shall insert the clause at 52.232-7, Payments under Time-and-Materials and Labor-Hour Contracts, appropriately modified with respect to payment due dates in accordance with agency regulations, in solicitations and contracts when a time-and-materials or labor-hour contract is contemplated. If (i) the nature of the work to be performed requires the contractor to furnish material that is regularly sold to the general public in the normal course of business by the contractor and (ii) the price is under the limitations prescribed in 16.601(b)(3), the contracting officer shall use the clause with its Alternate I. If a labor-hour contract is contemplated, and if no specific reimbursement for materials furnished is intended, the contracting officer may use the clause with its Alternate II.

(c) The contracting officer shall insert the following clauses, appropriately modified with respect to payment due dates in accordance with agency regulations:

(1) The clause at 52.232-8, Discounts for Prompt Payments, in solicitations and contracts when a fixed-price supply contract or fixed-price service contract is contemplated.

(2) A clause, substantially the same as the clause at 52.232-9, Limitation on Withholding of Payments, in solicitations and contracts when a supply contract, research and development contract, service contract, time-and-materials contract, or labor-hour contract is contemplated that includes two or more terms authorizing the temporary withholding of amounts otherwise payable to the contractor for supplies delivered or services performed.

(d) The contracting officer shall insert the following clauses, appropriately modified with respect to payments due dates in accordance with agency regulations:

(1) The clause at 52.232-10, Payments under Fixed-Price Architect-Engineer Contracts, in fixed-price architect-engineer contracts.

(2) The clause at 52.232-11, Extras, in solicitations and contracts when a fixed-price supply contract, fixed-price service contract, or a transportation contract is contemplated.

SUBPART 43.2 CHANGE ORDERS

43.201 General.

(a) Generally, Government contracts contain a changes clause that permits the contracting officer to make unilateral changes, in designated areas, within the general scope of the contract. These are accomplished by issuing written change orders on Standard Form 30, Amendment of Solicitation/Modification of Contract (SF 30), unless otherwise provided (see 43.301).

(b) The contractor must continue performance of the contract as changed, except that in cost-reimbursement or incrementally funded contracts the contractor is not obligated to continue performance or incur costs beyond the limits established in the Limitation of Cost or Limitation of Funds clause (see 32.705-2).

(c) The contracting officer may issue a change order by telegraphic message under unusual or urgent circumstances; provided, that—

(1) Copies of the message are furnished promptly to the same addressees that received the basic contract;

(2) Immediate action is taken to confirm the change by issuance of a SF 30;

(3) The message contains substantially the information required by the SF 30 (except that the estimated change in price shall not be indicated), including in the body of the message the statement, "Signed by (Name), Contracting Officer;" and

(4) The contracting officer manually signs the original copy of the message.

43.202 Authority to issue change orders.

Change orders shall be issued by the contracting officer except when authority is delegated to an administrative contracting officer (see 42.202(c)).

43.203 Change order accounting procedures.

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(a) Contractors' accounting systems are seldom designed to segregate the costs of performing changed work. Therefore, before prospective contractors submit offers, the contracting officer should advise them of the possible need to revise their accounting procedures to comply with the cost segregation requirements of the Change Order Accounting clause at 52.243-6.

(b) The following categories of direct costs normally are segregable and accountable under the terms of the Change Order Accounting clause:

(1) Nonrecurring costs (e.g., engineering costs and costs of obsolete or reperformed work).

(2) Costs of added distinct work caused by the change order (e.g., new subcontract work, new prototypes, or new retrofit or backfit kits).

(3) Costs of recurring work (e.g., labor and material costs).

43.204 Administration.

(a) Change order documentation. When change orders are not forward priced, they require two documents: the change order and a supplemental agreement reflecting the resulting equitable adjustment in contract terms. If an equitable adjustment in the contract price or delivery terms or both can be agreed upon in advance only a supplemental agreement need be issued, but administrative changes and changes issued pursuant to a clause giving the Government a unilateral right to make a change (e.g., an option clause) initially require only one document.

(b) Definitization. (1) Contracting officers shall negotiate equitable adjustments resulting from change orders in the shortest practicable time.

(2) Administrative contracting officers negotiating equitable adjustments by delegation under 42.302(b)(1), shall obtain the contracting officer's concurrence before adjusting the contract delivery schedule.

(3) Contracting offices and contract administration offices, as appropriate, shall establish suspense systems adequate to ensure accurate identification and prompt definitization of unpriced change orders.

(4) The contracting officer shall ensure that a cost analysis is made, if appropriate,

under 15.805 and shall consider the contractor's segregable costs of the change, if available. If additional funds are required as a result of the change, the contracting officer shall secure the funds before making any adjustment to the contract.

(c) Complete and final equitable adjustments. To avoid subsequent controversies that may result from a supplemental agreement containing an equitable adjustment as the result of a change order, the contracting officer should—

(1) Ensure that all elements of the equitable adjustment have been presented and resolved; and

(2) Include, in the supplemental agreement, a release similar to the following:

**CONTRACTOR'S STATEMENT OF
RELEASE**

In consideration of the modification(s) agreed to herein as complete equitable adjustments for the Contractor's
(describe) proposal(s) for adjustment, the Contractor hereby releases the Government from any and all liability under this contract for further equitable adjustments attributable to such facts or circumstances giving rise to the proposal(s) for adjustment (except for).

43.205 Contract clauses.

(a) (1) The contracting officer shall insert the clause at 52.243-1, Changes—Fixed-Price, in solicitations and contracts when a fixed-price contract for supplies is contemplated.

(2) If the requirement is for services, other than architect-engineer or other professional services, and no supplies are to be furnished, the contracting officer shall use the clause with its Alternate I.

(3) If the requirement is for services (other than architect-engineer services, transportation, or research and development) and supplies are to be furnished, the contracting officer shall use the clause with its Alternate II.

(4) If the requirement is for architect-engineer or other professional services, the contracting officer shall use the clause with its Alternate III.

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(5) If the requirement is for transportation services, the contracting officer shall use the clause with its Alternate IV.

(6) If it is desired to include the clause in solicitations and contracts when a research and development contract is contemplated, the contracting officer shall use the clause with its Alternate V.

(b) (1) The contracting officer shall insert the clause at 52.243-2, Changes—Cost-Reimbursement, in solicitations and contracts when a cost-reimbursement contract for supplies is contemplated.

(2) If the requirement is for services and no supplies are to be furnished, the contracting officer shall use the clause with its Alternate I.

(3) If the requirement is for services and supplies are to be furnished, the contracting officer shall use the clause with its Alternate II.

(4) If the requirement is for construction, the contracting officer shall use the clause with its Alternate III.

(5) If a facilities contract is contemplated, the contracting officer shall use the clause with its Alternate IV.

(6) If it is desired to include the clause in solicitations and contracts when a research and development contract is contemplated, the contracting officer shall use the clause with its Alternate V.

(c) The contracting officer shall insert the clause at 52.243-3, Changes—Time-and-Materials or Labor-Hours, in solicitations and contracts when a time-and-materials or labor-hour contract is contemplated.

(d) The contracting officer shall insert the clause at 52.243-4, Changes, in solicitations and contracts for (1) dismantling, demolition, or removal of improvements; and (2) construction, when a fixed-price contract is contemplated and the contract amount is expected to exceed the applicable small purchase limitation in Part 13.

(e) The contracting officer shall insert the clause at 52.243-5, Changes and Changed Conditions, in solicitations and contracts for construction, when the contract amount is not expected to exceed the applicable small purchase limitation in Part 13.

(f) The contracting officer may insert a clause, substantially the same as the clause at

52.243-6, Change Order Accounting, in solicitations and contracts for supply and research and development contracts of significant technical complexity, if numerous changes are anticipated.

PART 46—QUALITY ASSURANCE

46.000 Scope of part.

This part prescribes policies and procedures to ensure that supplies and services acquired under Government contract conform to the contract's quality and quantity requirements. Included are inspection, acceptance, warranty, and other measures associated with quality requirements.

SUBPART 46.1—GENERAL

46.101 Definitions.

Acceptance, as used in this part, means the act of an authorized representative of the Government by which the Government, for itself or as agent of another, assumes ownership of existing identified supplies tendered or approves specific services rendered as partial or complete performance of the contract.

Contract quality requirements, means the technical requirements in the contract relating to the quality of the product or service and those contract clauses prescribing inspection, and other quality controls incumbent on the contractor, to assure that the product or service conforms to the contractual requirements.

Government contract quality assurance, means the various functions, including inspection, performed by the Government to determine whether a contractor has fulfilled the contract obligations pertaining to quality and quantity.

Inspection, means examining and testing supplies or services (including, when appropriate, raw materials, components, and intermediate assemblies) to determine whether they conform to contract requirements.

Off-the-shelf item, means an item produced and placed in stock by a contractor, or stocked by a distributor, before receiving orders or contracts for its sale. The item may

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be commercial or produced to military or Federal specifications or description.

Subcontractor (see 44.101).

Testing, means that element of inspection that determines the properties or elements, including functional operation of supplies or their components, by the application of established scientific principles and procedures.

46.102 Policy.

Agencies shall ensure that

(a) Contracts include inspection and other quality requirements, including warranty clauses when appropriate, that are determined necessary to protect the Government's interest.

(b) Supplies or services tendered by contractors meet contract requirements;

(c) Government contract quality assurance is conducted before acceptance (except as otherwise provided in this part), by or under the direction of Government personnel;

(d) No contract precludes the Government from performing inspection;

(e) Nonconforming supplies or services are rejected, except as otherwise provided in 46.407; and

(f) The quality assurance and acceptance services of other agencies are used when this will be effective, economical, or otherwise in the Government's interest (see Subpart 42.1.)

46.103 Contracting office responsibilities.

Contracting offices are responsible for

(a) Receiving from the activity responsible for technical requirements any specifications for inspection, testing, and other contract quality requirements essential to ensure the integrity of the supplies or services (the activity responsible for technical requirements is responsible for prescribing such inspection, testing, and other contract quality requirements);

(b) Including in solicitations and contracts the appropriate requirements for the contractor's control of quality for the supplies or services to be acquired;

(c) Issuing any necessary instructions to the cognizant contract administration office

and acting on recommendations submitted by that office (see 42.301 and 46.104(f)); and

(d) When contract administration is retained (see 42.203), verifying that the contractor fulfills the contract quality requirements.

46.104 Contract administration office responsibilities.

When a contract is assigned for administration to the contract administration office cognizant of the contractor's plant, that office, unless specified otherwise, shall

(a) Develop and apply efficient procedures for performing Government contract quality assurance actions under the contract in accordance with the written direction of the contracting office;

(b) Perform all actions necessary to verify whether the supplies or services conform to contract quality requirements;

(c) Maintain, as part of the performance records of the contract, suitable records reflecting

(1) The nature of Government contract quality assurance actions, including, when appropriate, the number of observations made and the number and type of defects; and

(2) Decisions regarding the acceptability of the products, the processes, and the requirements, as well as action to correct defects.

(d) Implement any specific written instructions from the contracting office;

(e) Report to the contracting office any defects observed in design or technical requirements, including contract quality requirements; and

(f) Recommend any changes necessary to the contract, specifications, instructions, or other requirements that will provide more effective operations or eliminate unnecessary costs (see 42.102(e) and 46.103(c)).

46.105 Contractor responsibilities.

(a) The contractor is responsible for carrying out its obligations under the contract by

(1) Controlling the quality of supplies or services;

(2) Tendering to the Government for acceptance only those supplies or services that conform to contract requirements;

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(3) Ensuring that vendors or suppliers of raw materials, parts, components, subassemblies, etc., have an acceptance quality control system; and

(4) Maintaining substantiating evidence, when required by the contract, that the supplies or services conform to contract quality requirements, and furnishing such information to the Government as required.

(b) The contractor may be required to provide and maintain an inspection system or program for the control of quality that is acceptable to the Government (see 46.202).

(c) The control of quality by the contractor may relate to, but is not limited to—

(1) Manufacturing processes, to ensure that the product is produced to, and meets, the contractor's technical requirements;

(2) Drawings, specifications, and engineering changes, to ensure that manufacturing methods and operations meet the contractor's technical requirements;

(3) Testing and examination, to ensure that practices and equipment provide the means for optimum evaluation of the characteristics subject to inspection;

(4) Reliability and maintainability assessment (life, endurance, and continued readiness);

(5) Fabrication and delivery of products, to ensure that only conforming products are tendered to the Government;

(6) Technical documentation, including drawings, specifications, handbooks, manuals, and other technical publications;

(7) Preservation, packaging, packing, and marking; and

(8) Procedures and processes for services to ensure that services meet contract performance requirements.

(d) The contractor is responsible for performing all inspections and test required by the contract except those specifically reserved for performance by the Government (see 46.201(c)).

SUBPART 46.2—CONTRACT QUALITY REQUIREMENTS

46.201 General.

(a) The contracting officer shall include in the solicitation and contract the appropriate

quality requirements. The type and extent of contract quality requirements needed depends on the particular acquisition and may range from inspection at time of acceptance to a requirement for the contractor's implementation of a comprehensive program for controlling quality.

(b) As feasible, solicitations and contracts may provide for alternative, but substantially equivalent, inspection methods to obtain wide competition and low cost. The contracting officer may also authorize contractor-recommended alternatives when in the Government's interest and approved by the activity responsible for technical requirements.

(c) Although contracts generally make contractors responsible for performing inspection before tendering supplies to the Government, there are situations in which contracts will provide for specialized inspections to be performed solely by the Government. Among situations of this kind are—

(1) Tests that require use of specialized test equipment or facilities not ordinarily available in supplier's plants or commercial laboratories (e.g., ballistic testing of ammunition, unusual environmental tests, and simulated service tests); and

(2) Contracts that require Government testing for first article approval (see Subpart 9.3).

(d) Except as otherwise specified by the contract, required contractor testing may be performed in the contractor's or subcontractor's laboratory or testing facility, or in any other laboratory or testing facility acceptable to the Government.

46.202 Types of contract quality requirements.

Contract quality requirements fall into three general categories, depending on the extent of quality assurance needed by the Government for the acquisition involved.

46.202-1 Government reliance on inspection by contractor.

(a) Except as specified in (b) below, the Government shall rely on the contractor to accomplish all inspection and testing needed to ensure that supplies or services acquired

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under small purchases conform to contract quality requirements before they are tendered to the Government (see 46.301).

(b) The Government shall not rely on inspection by the contractor if the contracting officer determines that the Government has a need to test the supplies or services in advance of their tender for acceptance, or to pass judgment upon the adequacy of the contractor's internal work processes. In making the determination, the contracting officer shall consider—

(1) The nature of the supplies and services being purchased and their intended use (see 46.204 and Table 46-1);

(2) The potential losses in the event of defects;

(3) The likelihood of uncontested replacement or correction of defective work; and

(4) The cost of detailed Government inspection.

46.202-2 Standard inspection requirements.

(a) Standard inspection requirements are contained in the clauses prescribed in 46.302 through 46.308, and 46.310, and in the product and service specifications that are included in solicitations and contracts.

(b) The clauses referred to in (a) above

(1) Require the contractor to provide and maintain an inspection system that is acceptable to the Government;

(2) Give the Government the right to make inspections and tests while work is in process; and

(3) Require the contractor to keep complete, and make available to the Government, records of its inspection work.

46.202-3 Higher-level contract quality requirements.

(a) Higher-level contract quality requirements are contained in the clause prescribed in 46.311. Such requirements are appropriate in solicitations and contracts for complex and critical items (see 46.203(b) and (c) or when the technical requirements of the contract are such as to require—

(1) Control of such things as work operations, in-process controls, and inspection (see 46.204 and Table 46-1); or

(2) Attention to such factors as organization, planning, work instructions, documentation control, and advanced metrology.

(b) If it is in the Government's interest to require that higher-level contract quality requirements be maintained, the contract shall require the contractor to comply with a Government-specified inspection system, quality control system, or quality program (e.g., MIL-I-45208, MIL-Q-9858, NHB 5300.4(1E1B), NHB 5300.4(1E1C), FED-STD-368, or ANSI/ASME NQA-1). The contracting officer shall consult technical personnel before including one of these specifications in a contract.

46.203 Criteria for use of contract quality requirements.

The extent of contract quality requirements, including contractor inspection, required under a contract shall usually be based upon the classification of the contract item (supply or service) as determined by its technical description, its complexity, and the criticality of its application.

(a) Technical description. Contract items may be technically classified as—

(1) Commercial (described in commercial catalogs, drawings, or industrial standards);

(2) Military-Federal (described in Government drawings and specifications); or

(3) Off-the-shelf (see 46.101).

(b) Complexity. (1) Complex items have quality characteristics, not wholly visible in the end item, for which contractual conformance must be established progressively through precise measurements, tests, and controls applied during purchasing, manufacturing, performance, assembly, and functional operation either as an individual item or in conjunction with other items.

(2) Noncomplex items have quality characteristics for which simple measurement and test of the end item are sufficient to determine conformance to contract requirements.

(c) Criticality. (1) A critical application of an item is one in which the failure of the item could injure personnel or jeopardize a vital agency mission. A critical item may be either peculiar, meaning it has only one application,

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or common, meaning it has multiple applications.

(2) A noncritical application is any other application. Noncritical items may also be either peculiar or common.

46.204 Application of criteria.

Subject to mandatory limitations contained in the clause prescriptions (see Subpart 46.3), Table 46-1 may be used as a guide in selecting the appropriate contract quality requirements. Where circumstances warrant, the contracting officer may specify a requirement different from that arrived at through use of the table, except for off-the-shelf items.

SUBPART 46.3 CONTRACT CLAUSES

46.302 Fixed-price supply contracts.

The contracting officer shall insert the clause at 52.246-2, Inspection of Supplies—Fixed-Price, in solicitations and contracts for supplies, or services that involve the furnishing of supplies, when a fixed-price contract is contemplated and the contract amount is expected to exceed the small purchase limitation. The contracting officer may insert the clause in such solicitations and contracts when the contract amount is expected to be within the small purchase limitation and inclusion of the clause is in the Government's interest. If a fixed-price incentive contract is contemplated, the contracting officer shall use the clause with its Alternate I. If a fixed-ceiling-price contract with retroactive price redetermination is contemplated, the contracting officer shall use the clause with its Alternate II.

46.304 Fixed-price service contracts.

The contracting officer shall insert the clause at 52.246-4, Inspection of Services—Fixed-Price, in solicitations and contracts for services, or supplies that involve the furnishing of services, when a fixed-price contract is contemplated and the contract amount is expected to exceed the small purchase limitation. The contracting officer may insert the clause in such solicitations and contracts when the contract amount is expected to be within the small purchase

limitation and inclusion is in the Government's interest.

46.316 Responsibility for supplies.

The contracting officer shall insert the clause at 52.246-16, Responsibility for Supplies, in solicitations and contracts for (a) supplies, (b) services involving the furnishing of supplies, or (c) research and development, when a fixed-price contract is contemplated and the contract amount is expected to exceed the small purchase limitation. The contracting officer may insert the clause in such solicitations and contracts when the contract amount is not expected to exceed the small purchase limitation and inclusion of the clause is authorized under agency procedures.

SUBPART 47.3 TRANSPORTATION IN SUPPLY CONTRACTS

47.300 Scope of subpart.

(a) This subpart prescribes policies and procedures for the application of transportation and traffic management considerations in the acquisition of supplies. The terms and conditions contained in this subpart are applicable to fixed-price contracts.

(b) If a special requirement exists for application of any of these terms and conditions to other types of contracts; e.g., cost-reimbursement contracts, for which transportation arrangements are normally the responsibility of the contractor and transportation costs are allowable (see 31.205-45), the contracting officer shall use the terms and conditions prescribed in this subpart as a guide for (1) contract coverage of transportation and (2) instructions to the contractor to minimize the ultimate transportation costs to the Government.

47.301 General.

(a) Transportation and traffic management factors are important in awarding and administering contracts to ensure that (1) acquisitions are made on the basis most advantageous to the Government and (2) supplies arrive in good order and condition

EXCERPTS FROM FAR PARTS 1-47
(Mini-Clause Manual)

and on time at the required place. (See 47.104 for possible reduced transportation rates for Government shipments).

(b) The requiring activity shall—

(1) Consider all transportation factors including present and future requirements, positioning of supplies, and subsequent distribution to the extent known or ascertainable; and

(2) Provide the contracting office with information and instructions reflecting transportation factors applicable to the particular acquisition.

47.303-1 F.o.b. origin.

(a) Explanation of delivery term. F.o.b. origin—means free of expense to the Government delivered—

(1) On board the indicated type of conveyance of the carrier (or of the Government, if specified) at a designated point in the city, county, and State from which the shipment will be made and from which line-haul transportation service (as distinguished from switching, local drayage, or other terminal service) will begin;

(2) To, and placed on, the carrier's wharf (at shipside, within reach of the ship's loading tackle, when the shipping point is within a port area having water transportation service) or the carrier's freight station;

(3) To a U.S. Postal Service facility; or

(4) If stated in the solicitation, to any Government-designated point located within the same city or commercial zone as the f.o.b. origin point specified in the contract (commercial zones are prescribed by the Interstate Commerce Commission at 49 CFR 1048).

(b) Contractor responsibilities. The contractor shall—

(1)(i) Pack and mark the shipment to comply with contract specifications; or

(ii) In the absence of specifications, prepare the shipment in conformance with carrier requirements to protect the goods and to ensure assessment of the lowest applicable transportation charge;

(2)(i) Order specified carrier equipment requested by the Government; or

(ii) If not specified, order appropriate carrier equipment not in excess of capacity to accommodate shipment;

(3) Deliver the shipment in good order and condition to the carrier, and load, stow, trim, block, and/or brace carload or truckload shipment (when loaded by the contractor) on or in the carrier's conveyance as required by carrier rules and regulations;

(4) Be responsible for any loss of and/or damage to the goods—

(i) Occurring before delivery to the carrier;

(ii) Resulting from improper packing and marking; or

(iii) Resulting from improper loading, stowing, trimming, blocking, and/or bracing of the shipment, if loaded by the contractor on or in the carrier's conveyance;

(5) Complete the Government bill of lading supplied by the ordering agency or, when a Government bill of lading is not supplied, prepare a commercial bill of lading or other transportation receipt. The bill of lading shall show—

(i) A description of the shipment in terms of the governing freight classification or tariff (or Government rate tender) under which lowest freight rates are applicable;

(ii) The seals affixed to the conveyance with their serial numbers or other identification;

(iii) Lengths and capacities of cars or trucks ordered and furnished;

(iv) Other pertinent information required to effect prompt delivery to the consignee, including name, delivery address, postal address and ZIP code of consignee, routing, etc.;

(v) Special instructions or annotations requested by the ordering agency for commercial bills of lading; e.g., (A) To be converted to a Government bill of lading, or (B) This shipment is the property of, and the freight charges paid to the carrier(s) will be reimbursed by, the Government; and

(vi) The signature of the carrier's agent and the date the shipment is received by the carrier; and

(6) Distribute the copies of the bill of lading, or other transportation receipts, as directed by the ordering agency.

47.303-6 F.o.b. destination.

(a) Explanation of delivery term. F.o.b. destination—means—

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(1) Free of expense to the Government delivered, on board the carrier's conveyance, at a specified delivery point where the consignee's facility (plant, warehouse, store, lot, or other location to which shipment can be made) is located; and

(2) Supplies shall be delivered to the destination consignee's wharf (if destination is port city and supplies are for export), warehouse unloading platform, or receiving dock, at the expense of the contractor. The Government shall not be liable for any delivery, storage, demurrage, accessorial, or other charges involved before the actual delivery (or constructive placement as defined in carrier tariffs) of the supplies to the destination, unless such charges are caused by an act or order of the Government acting in its contractual capacity. If rail carrier is used, supplies shall be delivered to the specified unloading platform of the consignee. If motor carrier (including piggyback) is used, supplies shall be delivered to truck tailgate at the unloading platform of the consignee. If the contractor uses rail carrier or freight forwarder for less than carload shipments, the contractor shall ensure that the carrier will furnish tailgate delivery if transfer to truck is required to complete delivery to consignee.

(b) Contractor responsibilities. The contractor shall

(1)(i) Pack and mark the shipment to comply with contract specifications; or

(ii) In the absence of specifications, prepare the shipment in conformance with carrier requirements;

(2) Prepare and distribute commercial bills of lading;

(3) Deliver the shipment in good order and condition to the point of delivery specified in the contract;

(4) Be responsible for any loss of and/or damage to the goods occurring before receipt of the shipment by the consignee at the delivery point specified in the contract;

(5) Furnish a delivery schedule and designate the mode of delivering carrier; and

(6) Pay and bear all charges to the specified point of delivery.

47.305-2 Solicitations f.o.b. origin and f.o.b. destination—lowest overall cost.

(a) Solicitations, when appropriate, shall specify that offers may be f.o.b. origin, f.o.b. destination, or both; and that they will be evaluated on the basis of the lowest overall cost to the Government.

(b) When offers are solicited on the basis of both f.o.b. origin and f.o.b. destination, the contracting officer shall insert in solicitations the provision at 52.247-45, F.o.b. Origin and/or F.o.b. Destination Evaluation.

47.305-3 F.o.b. origin solicitations.

When preparing f.o.b. origin solicitations, the contracting officer shall refer to 47.303, where f.o.b. origin clauses relating to standard delivery terms are prescribed, and to 42.1404-2, where the use of bills of lading, parcel post, and indicia mail is prescribed. Supply solicitations that will or may result in f.o.b. origin contracts shall also contain requirements, information, provisions, and clauses concerning the following items:

(a) Delivery in carload or truckload lots f.o.b. carrier's equipment, wharf, or freight station.

(b) The requirement that the offeror furnish the following information with the offer:

(1) Location of the offeror's actual shipping point(s) (street address, city, State, and ZIP code) from which supplies will be delivered to the Government.

(2) Whether the offeror's shipping point has a private railroad siding, and the name of the rail carrier serving it.

(3) When the offeror's shipping point does not have a private siding, the names and addresses of the nearest public rail siding and of the carrier serving it. (This will enable transportation officers, when issuing routing instructions, to select the mode of transportation that will provide the required service at the lowest possible overall cost.)

(4)(i) The quantity of supplies to be shipped from each shipping point.

(ii) The contracting officer shall insert in f.o.b. origin solicitations the provision at 52.247-46, Shipping Point(s) Used in

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Evaluation of F.o.b. Origin Offers, when price evaluation for shipments from various shipping points is contemplated.

(c) When delivery is F.o.b. origin, contractor's facility, and the designated facility is not covered by the line-haul transportation rate, the charges required to deliver the shipment to the point where the line-haul rate is applicable.

(d) When delivery is F.o.b. origin, freight allowed, the basis on which transportation charges will be allowed, including the origin and destination from and to which transportation charges will be allowed.

(e) If f.o.b. origin offers only are desired, a statement that offers submitted on any other basis will be rejected as nonresponsive.

(f)(1) The methods of transportation used in evaluating offers. The Government normally uses land transportation by regulated common carriers between points in the 48 contiguous United States and the District of Columbia.

(2) The contracting officer shall insert the provision at 52.247-47, Evaluation F.o.b. Origin, in solicitations that require prices f.o.b. origin for the purpose of establishing the basis on which offers will be evaluated.

(g)(1) When it is believed that prospective contractors are likely to include in f.o.b. origin offers a contingency to compensate for what may be an unfavorable routing condition by the Government at the time of shipment, the contracting officer may permit prospective contractors to state in offers a reimbursable differential that represents the cost of bringing the supplies to any f.o.b. origin place of delivery specified by the Government at the time of shipment (see the clause at 52.247-33, F.o.b. Origin, with Differentials).

(2) Following are situations that might impose on the contractor a substantial cost above plant or commercial shipping point prices because of Government-required routings:

(i) The loading nature of the supplies; e.g., wheeled vehicles.

(ii) The different methods of shipment specified by the Government; e.g., towaway,

driveaway, tri-level vehicle, or rail car, that may increase the contractor's cost in varying amounts for bringing the supplies to, or loading and bracing the supplies at, the specified place of delivery.

(iii) The contractor's f.o.b. origin shipping point is a port city served by United States inland, coastwise, or intercoastal water transportation, and the contractor would incur additional costs to make delivery f.o.b. a wharf in that city to accommodate water routing specified by the Government.

(iv) The contractor's plant does not have a private rail siding and in order to ship by Government-specified rail routing, the contractor would be required to deliver the supplies to a public siding or freight terminal and to load, brace, and install dunnage in rail cars.

7.305-5 Destination unknown.

(a)(1) When destinations are unknown, solicitations shall be f.o.b. origin only.

(2) The contracting officer shall include in the contract file justifications for such solicitations.

(b)(1) When the exact destination of the supplies to be acquired is not known, but the general location of the users can be reasonably established, the acquiring activity shall designate tentative destinations for the purpose of computing transportation costs, showing estimated quantities for each tentative destination.

(2) The contracting officer shall insert in solicitations the provision at 52.247-49, Destination Unknown, when destinations are tentative and only for the purpose of evaluating offers.

(3) If it is necessary to control subsequent shipping weights, the solicitation shall state that subsequent shipments shall be made in carloads or truckloads (see the clause at 52.247-59, F.o.b. Origin—Carload and Truckload Shipments).

(c)(1) When exact destinations are not known and it is impracticable to establish tentative or general delivery places for the purpose of evaluating transportation costs, the contracting officer shall insert in solicitations the provision at 52.247-50, No Evaluation of Transportation Costs.

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(2) The solicitation shall also state that the transportation costs of subsequent shipments must be controlled (see, for example, the clause at 52.247-61, F.o.b. Origin Minimum Size of Shipments).

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52.202-1 Definitions.

As prescribed in Subpart 2.2, insert the following clause in solicitations and contracts except when (a) a fixed-price research and development contract that is expected to be \$2,500 or less is contemplated or (b) a purchase order is contemplated. Additional definitions may be included; provided, they are consistent with this clause and the Federal Acquisition Regulation.

DEFINITIONS (APR 1984)

(a) Head of the agency (also called Agency head) or Secretary means the Secretary (or Attorney General, Administrator, Governor, Chairperson, or other chief official, as appropriate) of the agency, including any deputy or assistant chief official of the agency, and, in the Department of Defense, the Under Secretary and any Assistant Secretary of the Departments of the Army, Navy, and Air Force and the Director and Deputy Director of Defense agencies; and the term authorized representative means any person, persons, or board (other than the Contracting Officer) authorized to act for the head of the agency or Secretary.

(b) Contracting Officer means a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the Contracting Officer acting within the limits of their authority as delegated by the Contracting Officer.

(c) Except as otherwise provided in this contract, the term subcontracts includes, but is not limited to, purchase orders and changes and modifications to purchase orders under this contract.

(End of clause)

(R 7-103.1 1979 MAR)(R 7-203.1)

(R 7-302.1)

(R 7-402.1)

(R 7-901.1)

(R 7-1902.1)

(R 7-1909.1)

Alternate I (APR 1984). If the contract is for personal services; construction; architect-engineer services; or dismantling, demolition, or removal of improvements, delete paragraph (c) of the basic clause.

(R 7-503.1)

(R 7-602.1 JUN 64)

(R 7-605.38)

(R 7-607.1)

(R 7-2101.1)

(R 1-7.602-1)

52.203-1 Officials Not to Benefit.

As prescribed in 3.102-2, insert the following clause in solicitations and contracts, except those related to agriculture that are exempted by 41 U.S.C. 22:

OFFICIALS NOT TO BENEFIT (APR 1984)

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this contract, or to any benefit arising from it. However, this clause does not apply to this contract to the extent that this contract is made with a corporation for the corporation's general benefit.

(End of clause)

(R 7-103.19 1949 JUL)

(R 1-7.102-17)

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52.207-4 Economic Purchase Quantity Supplies.

As prescribed in 7.203, insert the following provision:

ECONOMIC PURCHASE QUANTITY SUPPLIES (AUG 1987)

(a) Offerors are invited to state an opinion on whether the quantity(ies) of supplies on which bids, proposals or quotes are requested in this solicitation is (are) economically advantageous to the Government.

(b) Each offeror who believes that acquisitions in different quantities would be more advantageous is invited to recommend an economic purchase quantity. If different quantities are recommended, a total and a unit price must be quoted for applicable items. An economic purchase quantity is that quantity at which a significant price break occurs. If there are significant price breaks at different quantity points, this information is desired as well.

OFFEROR RECOMMENDATIONS

ITEM	QUANTITY
------	----------

(c) The information requested in this provision is being solicited to avoid acquisitions in disadvantageous quantities and to assist the Government in developing a data base for future acquisitions of these items. However, the Government reserves the right to amend or cancel the solicitation and resolicit with respect to any individual item in the event quotations received and the Government's requirements indicate that different quantities should be acquired.

(End of provision)

52.210-5 New Material.

As prescribed in 10.011(e), insert the following clause in solicitations and contracts for supplies, unless, in the judgment of the contracting officer, the clause would serve no useful purpose. The contracting officer may insert the clause in solicitations and contracts for services that may involve incidental furnishing of parts.

NEW MATERIAL (APR 1984)

Unless this contract specifies otherwise, the Contractor represents that the supplies and components, including any former Government property identified under the Used or Reconditioned Material, Residual Inventory, and Former Government Surplus Property clause of this contract, are new, including recycled (not used or reconditioned) and are not of such age or so deteriorated as to impair their usefulness or safety. If the Contractor believes that furnishing used or reconditioned supplies or components will be in the Government's interest, the Contractor shall so notify the Contracting Officer in writing. The Contractor's notice shall include the reasons for the request along with a proposal for any consideration to the Government if the Contracting Officer authorizes the use of used or reconditioned supplies or components.

PRICE (End of clause)

QUOTATION (SN-104.48 1960 TAN)

52.210-7 Used or Reconditioned Material, Residual Inventory, and Former Government Surplus Property.

As prescribed in 10.011(g), insert the following clause in solicitations and contracts for supplies, unless, in the judgment of the contracting officer, the clause would serve no useful purpose. The contracting officer may insert the clause in solicitations and contracts for services that may involve the incidental furnishing of parts.

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**USED OR RECONDITIONED MATERIAL,
RESIDUAL INVENTORY, AND FORMER
GOVERNMENT SURPLUS PROPERTY**
(APR 1984)

(a) The Contractor shall not furnish any item or component which is used or reconditioned material, residual inventory resulting from terminated Government contracts, or former Government surplus property, unless such item or component was listed in the applicable attachment to the offer and approved by the Contracting Officer or unless otherwise authorized in writing by the Contracting Officer.

(b) All items or components furnished under this contract shall comply with the terms and specifications contained in the contract.

(End of clause)
(R 7-104.49 1965 JAN)

52.212-1 Time of Delivery.

As prescribed in 12.104(a)(2), the contracting officer may insert a clause substantially as follows in solicitations and contracts for supplies or services if the Government requires delivery by a particular time and the delivery schedule is to be based on the date of the contract:

TIME OF DELIVERY (APR 1984)

(a) The Government requires delivery to be made according to the following schedule:

REQUIRED DELIVERY SCHEDULE

[Contracting Officer insert specific details]

ITEM NO.	QUANTITY
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

The Government will evaluate equally, as regards time of delivery, offers that propose delivery of each quantity within the applicable delivery period specified above. Offers that propose delivery that will not clearly fall within the applicable required delivery period specified above, will be considered nonresponsive and rejected. The Government

reserves the right to award under either the required delivery schedule or the proposed delivery schedule, when an offeror offers an earlier delivery schedule than required above. If the offeror proposes no other delivery schedule, the required delivery schedule above will apply.

**OFFEROR'S PROPOSED DELIVERY
SCHEDULE**

ITEM NO.	QUANTITY
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(b) Attention is directed to the Contract Award provision of the solicitation that provides that a written award or acceptance of offer mailed, or otherwise furnished to the successful offeror, results in a binding contract. The Government will mail or otherwise furnish to the offeror an award or notice of award not later than the day award is dated. Therefore, the offeror should compute the time available for performance beginning with the actual date of award, rather than the date the written notice of award is received from the Contracting Officer through the ordinary mails. However, the Government will evaluate an offer that proposes delivery based on the Contractor's date of receipt of the contract or notice of award by adding five days for delivery of the award through the ordinary mails. If, as so computed, the offered delivery date is later than the required delivery date, the offer will be considered nonresponsive and rejected.

(End of clause)

(R 7-104.92(b) 1974 APR)

(R 1-1.316-5)

(R 1-1.316-4(c))

Alternate I (APR 1984). If the delivery schedule is expressed in terms of specific calendar dates or specific periods and is based on an assumed date of award, the contracting officer may substitute the following paragraph (b) for paragraph (b) of

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the basic clause. The time may be expressed by substituting "on or before"; "during the months..."; or "not sooner than ... or later than ..." as headings for the third column of paragraph (a) the basic clause.

(b) The delivery dates or specific periods above are based on the assumption that the Government will make award by [Contracting Officer insert date]. Each delivery date in the delivery schedule above will be extended by the number of calendar days after the above date that the contract is in fact awarded. Attention is directed to the Contract Award provision of the solicitation that provides that a written award or acceptance of offer mailed or otherwise furnished to the successful offeror results in a binding contract. Therefore, the offeror should compute the time available for performance beginning with the actual date of award, rather than the date the written notice of award is received from the Contracting Officer through the ordinary mails.

(R 7-104.92(e) 1974 APR)

(R 1-1.316-4(b)(1))

Alternate II (APR 1984). If the delivery schedule is expressed in terms of specific calendar dates or specific periods and is based on an assumed date the contractor will receive notice of award, the contracting officer may substitute the following paragraph (b) for paragraph (b) of the basic clause. The time may be expressed by substituting "within days after the date of receipt of a written notice of award" as the heading for the third column of paragraph (a) of the basic clause.

(b) The delivery dates or specific periods above are based on the assumption that the successful offeror will receive notice of award by [Contracting Officer insert date]. Each delivery date in the delivery schedule above will be extended by the number of calendar days after the above date that the Contractor receives notice of award; provided, that the Contractor promptly acknowledges receipt of notice of award.

(R 7-104.92(e)(2) 1974 APR)

(R 1-1.316-4(b)(2))

Alternate III (APR 1984). If the delivery schedule is to be based on the actual date the contractor receives a written notice of award, the contracting officer may delete paragraph

(b) of the basic clause. The time may be expressed by substituting "within days after the date of receipt of a written notice of award" as the heading for the third column of paragraph (a) of the basic clause.

52.212-2 Desired and Required Time of Delivery.

As prescribed in 12.104(a)(3), the contracting officer may insert a clause substantially as follows in solicitations and contracts for supplies or services if the Government desires delivery by a certain time, but requires delivery by a specified later time, and the delivery schedule is to be based on the date of the contract:

**DESIRED AND REQUIRED TIME
OF DELIVERY (APR 1984)**

(a) The Government desires delivery to be made according to the following schedule:

DESIRED DELIVERY SCHEDULE

[Contracting Officer insert specific details]

ITEM NO.	QUANTITY
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

If the offeror is unable to meet the desired delivery schedule, it may, without prejudicing evaluation of its offer, propose a delivery schedule below. However, the offeror's proposed delivery schedule must not extend the delivery period beyond the time for delivery in the Government's required delivery schedule as follows:

REQUIRED DELIVERY SCHEDULE

[Contracting Officer insert specific details]

ITEM NO.	QUANTITY
_____	_____
_____	_____
_____	_____
_____	_____

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Offers that propose delivery of a quantity under such terms or conditions that delivery will not clearly fall within the applicable required delivery period specified above, will be considered nonresponsive and rejected. If the offeror proposes no other delivery schedule, the desired delivery schedule above will apply.

OFFEROR'S PROPOSED DELIVERY SCHEDULE

ITEM NO.	QUANTITY

(b) Attention is directed to the Contract Award provision of the solicitation that provides that a written award or acceptance of offer mailed or otherwise furnished to the successful offeror results in a binding contract. The Government will mail or otherwise furnish to the offeror an award or notice of award not later than the day the award is dated. Therefore, the offeror shall compute the time available for performance beginning with the actual date of award, rather than the date the written notice of award is received from the Contracting Officer through the ordinary mails. However, the Government will evaluate an offer that proposes delivery based on the Contractor's date of receipt of the contract or notice of award by adding five days for delivery of the award through the ordinary mails. If, as so computed, the offered delivery date is later than the required delivery date, the offer will be considered nonresponsive and rejected.

(End of clause)

(R 7-104.92(c) 1974 APR)

(R 1-1.316-5(c))

(R 1-1.316-4(c))

Alternate I (APR 1984). If the delivery schedule is expressed in terms of specific calendar dates or specific periods and is

based on an assumed date of award, the contracting officer may substitute the following paragraph (b) for paragraph (b) of the basic clause. The time may be expressed by substituting "on or before"; "during the months ..."; or "not sooner than ..., or later than ..." as headings for the third column of paragraph (a) of the basic clause.

(b) The delivery dates or specific periods above are based on the assumption that the Government will make award by [Contracting Officer insert date]. Each delivery date in the delivery schedule above will be extended by the number of calendar days after the above date the contract is in fact awarded. Attention is directed to the Contract Award provision of the solicitation that provides that a written award or acceptance of offer mailed or otherwise furnished to the successful offeror results in a binding contract. Therefore, the offeror shall compute the time available for performance beginning with the actual date of award, rather than the date the written notice of award is received from the Contracting Officer through the ordinary mails.

(R 7-104.92(e) 1974 APR)

(R 1-1.316-4(b)(1))

Alternate II (APR 1984). If the delivery schedule is expressed in terms of specific calendar dates or specific periods and is based on an assumed date the contractor receives notice of award, the contracting officer may substitute the following paragraph (b) for paragraph (b) of the basic clause. The time may be expressed by substituting "within days after the date of receipt of a written notice of award" as the heading of the third column of paragraph (a) of the basic clause.

(b) The delivery dates or specific periods above are based on the assumption that the successful offeror will receive notice of award by [Contracting Officer insert date]. Each delivery date in the delivery schedule above will be extended by the number of calendar days after the above date that the Contractor receives notice of award; provided, that the Contractor promptly acknowledges receipt of notice of award.

(R 7-104.92(e)(2) 1974 APR)

(R 1-1.316-4(b)(2))

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Alternate III (APR 1984). If the delivery schedule is to be based on the actual date the contractor receives a written notice of award, the contracting officer may delete paragraph (b) of the basic clause. The time may be expressed by substituting "within days after the date of receipt of a written notice of award" as the heading of the third column of paragraph (a) of the basic clause.

52.212-9 Variation in Quantity.

As prescribed in 12.403(a), insert the following clause in solicitations and contracts when a fixed-price contract is contemplated for supplies, and for services that involve the furnishing of supplies:

VARIATION IN QUANTITY (APR 1984)

(a) A variation in the quantity of any item called for by this contract will not be accepted unless the variation has been caused by conditions of loading, shipping, or packing, or allowances in manufacturing processes, and then only to the extent, if any, specified in paragraph (b) below.

(b) The permissible variation shall be limited to:

..... Percent increase [Contracting Officer insert percentage]

..... Percent decrease [Contracting Officer insert percentage]

This increase or decrease shall apply to .

.....*

(End of clause)

(R 7-103.4(a) 1949 JUL)

(R 7-103.4(b) 1965 APR)

*Contracting Officer shall insert in the blank the designation(s) to which the percentages apply, such as (1) the total contract quantity, (2) item 1 only, (3) each quantity specified in the delivery schedule, (4) the total item quantity for each destination, or (5) the total quantity of each item without regard to destination.

52.213-1 Fast Payment Procedure.

As prescribed in 13.305, insert the following clause:

FAST PAYMENT PROCEDURE (AUG 1988)

(a) General. Invoices will be paid on the basis of the Contractor's delivery to a post office or common carrier (or, in shipment by

other means, to the point of first receipt by the Government).

(b) Responsibility for supplies. Title to the supplies shall vest in the Government upon delivery to a post office or common carrier for shipment to the specific destination. If shipment is by means other than Postal Service or common carrier, title to the supplies shall vest in the Government upon delivery to the point of first receipt by the Government. Notwithstanding any other provision of the contract, order, or blanket purchase agreement, the Contractor shall assume all responsibility and risk of loss for supplies (1) not received at destination, (2) damaged in transit, or (3) not conforming to purchase requirements. The Contractor shall either replace, repair, or correct those supplies promptly at the Contractor's expense, but only if instructions to do so are furnished by the Contracting Officer within 180 days from the date title to the supplies vests in the Government.

(c) Preparation of invoice. (1) Upon delivery of supplies to a post office or common carrier, (or, in shipments by other means, the point of first receipt by the Government) the Contractor shall prepare an invoice as provided in this contract, order, or blanket purchase agreement. In addition, the invoice shall be prominently marked "FAST PAY."

(2) If the purchase price excludes the cost of transportation, the Contractor shall enter the prepaid shipping cost on the invoice as a separate item. The cost of parcel post insurance will not be paid by the Government. If transportation charges are separately stated on the invoice, the Contractor agrees to retain related paid freight bills or other transportation billings paid separately for a period of 3 years and to furnish the bills to the Government when requested for audit purposes.

(3) If this contract, order, or blanket purchase agreement requires the preparation of a receiving report on a prescribed form, the Contractor has the option of either preparing the receiving report on the prescribed form or including the following information on the invoice, in addition to that required in subparagraph (c)(1) above:

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(i) A statement in prominent letters **RECEIVING REPORT PREPARED.**

(ii) Shipment number.

(iii) Mode of shipment.

(iv) At line item level, (A) national stock number and/or manufacturer's part number, (B) unit of measure, (C) Ship-To Point, (D) Mark-For Point if in contract, and (E) FEDSTRIP/MILSTRIP document number if in contract.

(4) If this contract, order or blanket purchase agreement does not require preparation of a receiving report on a prescribed form, the invoice will include at the line item level information at the line item level in addition to that required in subparagraph (c)(1) above:

(i) Ship-To-Point.

(ii) Mark-For-Point.

(iii) FEDSTRIP/MILSTRIP document number if in contract, in addition to that required in subparagraph (c)(1) above.

(5) Where a receiving report is not required, a copy of the invoice will be included in each shipment.

(d) Certification of invoice. The Contractor agrees that the submission of an invoice to the Government for payment is a certification that the supplies for which the Government is being billed have been shipped or delivered in accordance with shipping instructions issued by the ordering officer, in the quantities shown on the invoice, and that the supplies are in the quantity and of the quality designated by the contract, order, or blanket purchase agreement.

(e) Fast pay container identification. All outer shipping containers shall be marked **FAST PAY.**

(End of clause)

52.214-5 Submission of Bids.

As prescribed in 14.201-6(c)(1), insert the following provision in invitations for bids unless they are for construction that is not estimated to exceed \$10,000. The use of this provision in invitations for bids for construction that is not estimated to exceed \$10,000 is optional:

SUBMISSION OF BIDS (APR 1984)

(a) Bids and bid modifications shall be submitted in sealed envelopes or packages (1)

addressed to the office specified in the solicitation and (2) showing the time specified for receipt, the solicitation number, and the name and address of the bidder.

(b) Telegraphic bids will not be considered unless authorized by the solicitation; however, bids may be modified or withdrawn by written or telegraphic notice, if such notice is received by the time specified for receipt of bids.

(End of provision)

(R SF 33A Para 5, 1978 JAN)

52.214-7 Late Submissions, Modifications, and Withdrawals of Bids.

As prescribed in 14.201-6(c)(3), insert the following provision in invitations for bids unless they are for construction that is not estimated to exceed \$10,000. The use of this provision in invitations for bids for construction that is not estimated to exceed \$10,000 is optional:

LATE SUBMISSIONS, MODIFICATIONS, AND WITHDRAWALS OF BIDS (APR 1984)

(a) Any bid received at the office designated in the solicitation after the exact time specified for receipt will not be considered unless it is received before award is made and it

(1) Was sent by registered or certified mail not later than the fifth calendar day before the date specified for receipt of bids (e.g., a bid submitted in response to a solicitation requiring receipt of bids by the 20th of the month must have been mailed by the 15th); or

(2) Was sent by mail (or was a telegraphic bid if authorized), and it is determined by the Government that the late receipt was due solely to mishandling by the Government after receipt at the Government installation.

(b) Any modification or withdrawal of a bid is subject to the same conditions as in paragraph (a) above.

(c) The only acceptable evidence to establish the date of mailing of a late bid, modification, or withdrawal sent either by registered or certified mail is the U.S. or Canadian Postal Service postmark on the wrapper or on the original receipt from the

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U.S. or Canadian Postal Service. If neither postmark shows a legible date, the bid, modification, or withdrawal shall be processed as if mailed late. "Postmark" means a printed, stamped, or otherwise placed impression (exclusive of a postage meter machine impression) that is readily identifiable without further action as having been supplied and affixed by employees of the U.S. or Canadian Postal Service on the date of mailing. Therefore, bidders should request the postal clerks to place a hand cancellation bullseye postmark on both the receipt and the envelope or wrapper.

(d) The only acceptable evidence to establish the time of receipt at the Government installation is the time/date stamp of that installation on the bid wrapper or other documentary evidence of receipt maintained by the installation.

(e) Notwithstanding paragraph (a) above, a late modification of an otherwise successful bid that makes its terms more favorable to the Government will be considered at any time it is received and may be accepted.

(f) A bid may be withdrawn in person by a bidder or its authorized representative if, before the exact time set for receipt of bids, the identity of the person requesting withdrawal is established and that person signs a receipt for the bid.

(End of provision)

(R 7-2002.2 1979 MAR)

(R 1-2.201(a)(31))

52.214-10 Contract Award Sealed Bidding.

As prescribed in 14.201-6(e)(2), insert the following provision:

**CONTRACT AWARD SEALED
BIDDING**
(APR 1985)

(a) The Government will evaluate bids in response to this solicitation without discussions and will award a contract to the responsible bidder whose bid, conforming to the solicitation, will be most advantageous to the Government considering only price and the price-related factors specified elsewhere in the solicitation.

(b) The Government may (1) reject any or all bids, (2) accept other than the lowest bid,

and (3) waive informalities or minor irregularities in bids received.

(c) The Government may accept any item or group of items of a bid, unless the bidder qualifies the bid by specific limitations. Unless otherwise provided in the Schedule, bids may be submitted for quantities less than those specified. The Government reserves the right to make an award on any item for a quantity less than the quantity offered, at the unit prices offered, unless the bidder specifies otherwise in the bid.

(d) A written award or acceptance of a bid mailed or otherwise furnished to the successful bidder within the time for acceptance specified in the bid shall result in a binding contract without further action by either party.

(End of provision)

52.214-13 Telegraphic Bids.

As prescribed in 14.201-6(g)(1), insert the following provision:

TELEGRAPHIC BIDS (APR 1984)

(a) Bidders may submit telegraphic bids as responses to this solicitation. These responses must arrive at the place, and by the time, specified in the solicitation.

(b) Telegraphic bids shall refer to this solicitation and include the items or subitems, quantities, unit prices, time and place of delivery, all representations and other information required by this solicitation, and a statement of agreement with all the terms, conditions, and provisions of the invitation for bids.

(c) Telegraphic bids that fail to furnish required representations or information, or that reject any of the terms, conditions, and provisions of the solicitation, may be excluded from consideration.

(d) Bidders must promptly sign and submit complete copies of the bids in confirmation of their telegraphic bids.

(e) The term "telegraphic bids," as used in this provision, includes mailgrams.

(End of provision)

(R 7-2003.29 1964 MAR)

Alternate I (NOV 1988). As prescribed in 14.201-6(g)(2), substitute the following for paragraph (d) of the basic clause:

(d) Written confirmation of telegraphic bids is not required.

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52.214-15 Period for Acceptance of Bids.

As prescribed in 14.201-6(i), insert the following provision in invitations for bids (IFB's) that are not issued on Standard Form 33, Solicitation, Offer, and Award, except IFB's (1) for construction or (2) in which the Government specifies a minimum acceptance period:

PERIOD FOR ACCEPTANCE OF BIDS
(APR 1984)

In compliance with the solicitation, the bidder agrees, if this bid is accepted withincalendar days (60 calendar days unless a different period is inserted by the bidder) from the date specified in the solicitation for receipt of bids, to furnish any or all items upon which prices are bid at the price set opposite each item, delivered at the designated point(s), within the time specified in the Schedule.

(End of provision)
(R SF 33 1977 MAR)

52.214-16 Minimum Bid Acceptance Period.

As prescribed in 14.201-6(j), insert the following provision in invitations for bids, except for construction, if the contracting officer determines that a minimum acceptance period must be specified:

MINIMUM BID ACCEPTANCE PERIOD
(APR 1984)

(a) "Acceptance period," as used in this provision, means the number of calendar days available to the Government for awarding a contract from the date specified in this solicitation for receipt of bids.

(b) This provision supersedes any language pertaining to the acceptance period that may appear elsewhere in this solicitation.

(c) The Government requires a minimum acceptance period ofcalendar days [the Contracting Officer shall insert the number of days].

(d) In the space provided immediately below, bidders may specify a longer acceptance period than the Government's minimum requirement. The bidder allows the following acceptance period:

.calendar days.

(e) A bid allowing less than the Government's minimum acceptance period will be rejected.

(f) The bidder agrees to execute all that it has undertaken to do, in compliance with its bid, if that bid is accepted in writing within (1) the acceptance period stated in paragraph (c) above or (2) any longer acceptance period stated in paragraph (d) above.

(End of provision)

(R 2-201(a) Sec. L(xvii) (A) and (B) 1975
MAR)

(R 2-201(b)(xii)(B) 1975 MAR)

(R 1-2.201(a)(15))

52.214-21 Descriptive Literature.

As prescribed in 14.201-6(p)(1), insert the following provision in invitations for bids if (a) descriptive literature is required to evaluate the technical acceptability of an offered product and (b) the required information will not be readily available unless it is submitted by bidders:

DESCRIPTIVE LITERATURE (APR 1984)

(a) "Descriptive literature" means information (e.g., cuts, illustrations, drawings, and brochures) that is submitted as part of a bid. Descriptive literature is required to establish, for the purpose of evaluation and award, details of the product offered that are specified elsewhere in the solicitation and pertain to significant elements such as (1) design; (2) materials; (3) components; (4) performance characteristics; and (5) methods of manufacture, assembly, construction, or operation. The term includes only information required to determine the technical acceptability of the offered product. It does not include other information such as that used in determining the responsibility of a prospective Contractor or for operating or maintaining equipment.

(b) Descriptive literature, required elsewhere in this solicitation, must be (1) identified to show the item(s) of the offer to which it applies and (2) received by the time specified in this solicitation for receipt of bids. Failure to submit descriptive literature on time will require rejection of the bid, except that late descriptive literature sent by mail may be considered under the Late Submissions, Modifications, and

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Withdrawals of Bids provision of this solicitation.

(c) The failure of descriptive literature to show that the product offered conforms to the requirements of this solicitation will require rejection of the bid.

(End of provision)

(R 7-2003.31(a) UNDATED)

(R 1-2.202-5(d))

Alternate I (APR 1984). If the possibility exists that the contracting officer may waive the requirement for furnishing descriptive literature for a bidder offering a previously supplied product that meets specification requirements of the current solicitation, add the following paragraphs (d) and (e).

(d) At the discretion of the Contracting Officer, the requirement for furnishing descriptive literature under this solicitation may be waived for any bidder that makes an affirmative representation in subparagraph (d)(1) below, if the Contracting Officer determines that the product supplied by the bidder under a prior contract meets the requirements of this solicitation.

(1) The bidder represents that it n has, n has not [check applicable box] supplied a product to the [as appropriate, the Contracting Officer shall designate the contracting office or an alternate activity or office] under a prior contract that is the same as the product offered under this solicitation for which descriptive literature is required.

(2) If the bidder checked OhasO in paragraph (d)(1) above, and seeks a waiver of the requirement for submitting descriptive literature, the bidder must fill in the following information:

Prior contract number

Date of prior contract

.....

Contract line item number of product supplied.....

Name and address of government activity to which delivery was made.....

.....

Date of final delivery of product supplied.....

(e) Bidders must submit bids on the basis of required descriptive literature or on the basis of a previously supplied product under paragraph (d) above. A bidder submitting a

bid on one of these two bases may not elect to have its bid considered on the alternative basis after the time specified for receipt of bids. A bidder's request for a waiver under paragraph (d) above will be disregarded if that bidder has submitted the descriptive literature required under this solicitation.

(R 1-2003.31(b) UNDATED)

(R 2.202-5(e))

52.214-22 Evaluation of Bids for Multiple Awards.

As prescribed in 14.201-6(q), insert the following provision in invitations for bids when the contracting officer determines that multiple awards might be made if doing so is economically advantageous to the Government:

EVALUATION OF BIDS FOR MULTIPLE AWARDS (APR 1984)

In addition to other factors, bids will be evaluated on the basis of advantages and disadvantages to the Government that might result from making more than one award (multiple awards). It is assumed, for the purpose of evaluating bids, that \$250 would be the administrative cost to the Government for issuing and administering each contract awarded under this solicitation, and individual awards will be for the items or combinations of items that result in the lowest aggregate cost to the Government, including the assumed administrative costs.

(End of provision)

(R 7-2003.23(b) 1982 AUG)

52.215-16 Contract Award.

As prescribed in 15.407(d)(4), insert the following provision:

CONTRACT AWARD (APR 1985)

(a) The Government will award a contract resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation will be most advantageous to the Government, cost or price and other factors, specified elsewhere in this solicitation, considered.

(b) The Government may (1) reject any or all offers if such action is in the public interest, (2) accept other than the lowest offer, and (3) waive informalities and minor irregularities in offers received.

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(c) The Government may award a contract on the basis of initial offers received, without discussions. Therefore, each initial offer should contain the offeror's best terms from a cost or price and technical standpoint.

(d) The Government may accept any item or group of items of an offer, unless the offeror qualifies the offer by specific limitations. Unless otherwise provided in the Schedule, offers may be submitted for quantities less than those specified. The Government reserves the right to make an award on any item for a quantity less than the quantity offered, at the unit cost or prices offered, unless the offeror specifies otherwise in the offer.

(e) A written award or acceptance of offer mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer shall result in a binding contract without further action by either party. Before the offeror's specified expiration time, the Government may accept an offer (or part of an offer, as provided in paragraph (d) above), whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award. Negotiations conducted after receipt of an offer do not constitute a rejection or counteroffer by the Government.

(f) Neither financial data submitted with an offer, nor representations concerning facilities or financing, will form a part of the resulting contract. However, if the resulting contract contains a clause providing for price reduction for defective cost or pricing data, the contract price will be subject to reduction if cost or pricing data furnished is incomplete, inaccurate, or not current.

(End of provision)

53.215-19 Period for Acceptance of Offer.

As prescribed in 15.407(f), insert the following provision:

PERIOD FOR ACCEPTANCE OF OFFER
(APR 1984)

In compliance with the solicitation, the offeror agrees, if this offer is accepted within.....calendar days (60 calendar days unless a different period is inserted by the offeror) from the date specified in the solicitation for receipt of offers, to furnish

any or all items on which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the Schedule.

(End of provision)

(R SF 33 1977 MAR)

52.216-1 Type of Contract.

As prescribed in 16.105, complete and insert the following provision in requests for proposals (RFPs) and requests for quotations (RFQs), unless the solicitation is for (a) a small purchase (see Part 13) or (b) information or planning purposes (see 15.405).

TYPE OF CONTRACT (APR 1984)

The Government contemplates award of a [Contracting Officer insert specific type of contract] contract resulting from this solicitation.

(End of provision)

(R 3-501(b) Sec L (iv))

52.217-6 Option for Increased Quantity.

As prescribed in 17.208(d), insert a clause substantially the same as the following:

OPTION FOR INCREASED QUANTITY
(MAR 1989)

The Government may increase the quantity of supplies called for in the Schedule at the unit price specified. The Contracting Officer may exercise the option by written notice to the Contractor within [insert in the clause the period of time in which the Contracting Officer has to exercise the option]. Delivery of the added items shall continue at the same rate as the like items called for under the contract, unless the parties otherwise agree.

(End of clause)

52.217-7 Option for Increased Quantity Separately Priced Line Item.

As prescribed in 17.208(e), insert a clause substantially the same as the following:

OPTION FOR INCREASED QUANTITY
SEPARATELY PRICED LINE ITEM
(MAR 1989)

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The Government may require the delivery of the numbered line item, identified in the Schedule as an option item, in the quantity and at the price stated in the Schedule. The Contracting Officer may exercise the option by written notice to the Contractor within [insert in the clause the period of time in which the Contracting Officer has to exercise the option]. Delivery of added items shall continue at the same rate that like items are called for under the contract, unless the parties otherwise agree.

(End of clause)

52.219-1 Small Business Concern Representation.

As prescribed in 19.304(a), insert the following provision:

**SMALL BUSINESS CONCERN
REPRESENTATION (MAY 1986)**

The offeror represents and certifies as part of its offer that it ☐ is, ☐ is not a small business concern and that ☐ all, ☐ not all end items to be furnished will be manufactured or produced by a small business concern in the United States, its territories or possessions, Puerto Rico, or the Trust Territory of the Pacific Islands. "Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the size standards in this solicitation.

(End of provision)

52.219-6 Notice of Total Small Business Set-Aside.

As prescribed in 19.508(c), insert the following clause in solicitations and contracts involving total small business set-asides:

**NOTICE OF TOTAL SMALL
BUSINESS SET-ASIDE (APR 1984)**

(a) Definition.

"Small business concern," as used in this clause, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the size standards in this solicitation.

(b) General. (1) Offers are solicited only from small business concerns. Offers received from concerns that are not small business concerns shall be considered nonresponsive and will be rejected.

(2) Any award resulting from this solicitation will be made to a small business concern.

(c) Agreement. A manufacturer or regular dealer submitting an offer in its own name agrees to furnish, in performing the contract, only end items manufactured or produced by small business concerns inside the United States, its territories and possessions, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, or the District of Columbia. However, this requirement does not apply in connection with construction or service contracts.

(End of clause)

(R 7-2003.2 1972 JUL)

(R 1-1.706-5(e))

Alternate I (JUN 1989). When the acquisition is for a product in a class for which the Small Business Administration has determined that there are no small business manufacturers or processors in the Federal market in accordance with 19.502-2(b), substitute the following paragraph (c) for paragraph (c) of the basic clause:

(c) Agreement. A regular dealer submitting an offer in its own name agrees to furnish, in performing the contract, only end items manufactured or produced in the United States, its territories or possessions, Puerto Rico, or the Trust Territory of the Pacific Islands.

52.219-7 Notice of Partial Small Business Set-Aside.

As prescribed in 19.508(d), insert the following clause in solicitations and contracts involving partial small business set-asides:

**NOTICE OF PARTIAL SMALL BUSINESS
SET-ASIDE (APR 1984)**

(a) Definitions.

"Labor surplus area," as used in this clause, means a geographical area identified by the Department of Labor as an area of labor surplus.

"Labor surplus area concern," as used in this clause, means a concern that, together

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with its first-tier subcontractors, will perform substantially in labor surplus areas.

Perform substantially in labor surplus areas, as used in this clause, means that the costs incurred under the contract on account of manufacturing, production, and performance of services in labor surplus areas exceed 50 percent of the contract price.

Small business concern, as used in this clause, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the size standards in this solicitation.

(b) General. (1) A portion of this requirement, elsewhere in this solicitation, has been set aside for award to one or more small business concerns.

(2) Offers on the non-set-aside portion will be evaluated first and award will be made on that portion in accordance with the provisions of this solicitation.

(3) The set-aside portion will be awarded at the highest unit price(s) in the contract(s) for the non-set-aside portion, adjusted to reflect transportation and other costs appropriate for the selected contractor(s).

(4)(i) The contractor(s) for the set-aside portion will be selected from among the small business concerns that submitted responsive offers on the non-set-aside portion. These concerns fall into two groups:

(A) Group 1 Small business concerns that are also labor surplus area concerns.

(B) Group 2 Other small business concerns.

(ii) Negotiations will be conducted with the concern in Group 1 that submitted the lowest responsive offer on the non-set-aside portion. If the negotiations are not successful or if only part of the set-aside portion is awarded to that concern, negotiations will be conducted with the concern that submitted the second-lowest responsive offer on the non-set-aside portion. This process will continue, first with concerns in Group 1 and then with concerns in Group 2, until a contract or contracts are awarded for the entire set-aside portion.

(5) The Government reserves the right to not consider token offers or offers designed

to secure an unfair advantage over other offerors eligible for the set-aside portion.

(c) Agreement. (1) The offeror agrees that, if awarded a contract as a small business-labor surplus area concern, it will perform the contract, or cause it to be performed, substantially in areas classified as labor surplus areas at the time of award or performance of this contract. However, if an area selected by the offeror is no longer classified as a labor surplus area at the time of performance, the offeror will make an effort to select another area for performance that is classified at the time as a labor surplus area.

(2) The offeror agrees that, if awarded a contract that exceeds \$10,000, it will submit a report to the Contracting Officer within 30 days after the date of award (or a longer period of time, if prescribed by the Contracting Officer) that contains the following information:

(i) The dollar amount of the contract.

(ii) Identification of each labor surplus area in which contract (and subcontract) performance is taking or will take place.

(iii) The total costs incurred and the total costs to be incurred under the contract on account of manufacturing, production, and performance of services in each of the labor surplus areas by (A) the prime Contractor and (B) first-tier subcontractors.

(iv) The total dollar amount attributable to performance in labor surplus areas.

(3) A manufacturer or regular dealer submitting an offer in its own name agrees to furnish, in performing the contract, only end items manufactured or produced by small business concerns inside the United States, its territories and possessions, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, or the District of Columbia. However, this requirement does not apply in connection with construction or service contracts.

(End of clause)

(R 7-2003.3(a) 1978 JUN)

(R 1-1.706-6(c))

Alternate I (JUN 1989). When the acquisition is for a product in a class for which the Small Business Administration has determined that there are no small business manufacturers or processors in the Federal market in accordance with 19.502-2(b),

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substitute the following subparagraph (c)(3) for subparagraph (c)(3) of the basic clause:

(c)(3) A regular dealer submitting an offer in its own name agrees to furnish, in performing the contract, only end items manufactured or produced in the United States, its territories or possessions, Puerto Rico, or the Trust Territory of the Pacific Islands.

52.223-4 Recovered Material Certification.

As prescribed in 23.405, insert the following provision in solicitations that incorporate specifications requiring the use of recovered materials.

**RECOVERED MATERIAL
CERTIFICATION (APR 1984)**

The offeror certifies, by signing this offer, that recovered materials, as defined in section 23.402 of the Federal Acquisition Regulation, will be used as required by the applicable specifications.

(End of provision)
(AV 7-2003.82 1979 MAR)
(AV 1-1.2504)

52.232-1 Payments.

As prescribed in 32.111(a)(1), insert the following clause, appropriately modified with respect to payment due date in accordance with agency regulations, in solicitations and contracts when a fixed-price contract, a fixed-price service contract, or a contract for nonregulated communication services is contemplated:

PAYMENTS (APR 1984)

The Government shall pay the Contractor, upon the submission of proper invoices or vouchers, the prices stipulated in this contract for supplies delivered and accepted or services rendered and accepted, less any deductions provided in this contract. Unless otherwise specified in this contract, payment shall be made on partial deliveries accepted by the Government if

(a) The amount due on the deliveries warrants it; or

(b) The Contractor requests it and the amount due on the deliveries is at least \$1,000 or 50 percent of the total contract price.

(End of clause)
(R 7-103.7 1958 JAN)

(R 1-7.102-7)

52.243-1 Changes Fixed-Price.

As prescribed in 43.205(a)(1), insert the following clause. The 30-day period may be varied according to agency procedures.

CHANGES FIXED-PRICE (AUG 1987)

(a) The Contracting Officer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following:

(1) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the Government in accordance with the drawings, designs, or specifications.

(2) Method of shipment or packing.

(3) Place of delivery.

(b) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the order, the Contracting Officer shall make an equitable adjustment in the contract price, the delivery schedule, or both, and shall modify the contract.

(c) The Contractor must assert its right to an adjustment under this clause within 30 days from the date of receipt of the written order. However, if the Contracting Officer decides that the facts justify it, the Contracting Officer may receive and act upon a proposal submitted before final payment of the contract.

(d) If the Contractor's proposal includes the cost of property made obsolete or excess by the change, the Contracting Officer shall have the right to prescribe the manner of the disposition of the property.

(e) Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

(End of clause)

Alternate I (APR 1984). If the requirement is for services, other than architect-engineer or other professional services, and no supplies are to be furnished, substitute the following paragraph (a) for paragraph (a) of the basic clause:

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(a) The Contracting Officer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following:

- (1) Description of services to be performed.
- (2) Time of performance (i.e., hours of the day, days of the week, etc.).
- (3) Place of performance of the services.

(R 7-1902.2 1971 NOV)

Alternate II (APR 1984). If the requirement is for services (other than architect-engineer services, transportation, or research and development) and supplies are to be furnished, substitute the following paragraph (a) for paragraph (a) of the basic clause:

(a) The Contracting Officer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following:

- (1) Description of services to be performed.
- (2) Time of performance (i.e., hours of the day, days of the week, etc.).
- (3) Place of performance of the services.
- (4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the Government, in accordance with the drawings, designs, or specifications.

(5) Method of shipment or packing of supplies.

(6) Place of delivery.

(R 7-1902.2 1971 NOV)

(R 7-103.2 1958 JAN)

(R 1-7.102-2)

Alternate III (APR 1984). If the requirement is for architect-engineer or other professional services, substitute the following paragraph (a) for paragraph (a) of the basic clause and add the following paragraph (f):

(a) The Contracting Officer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in the services to be performed.

(f) No services for which an additional cost or fee will be charged by the Contractor

shall be furnished without the prior written authorization of the Contracting Officer.
(R 7-607.3 1972 APR)

Alternate IV (APR 1984). If the requirement is for transportation services, substitute the following paragraph (a) for paragraph (a) of the basic clause:

(a) The Contracting Officer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following:

- (1) Specifications.
- (2) Work or services.
- (3) Place of origin.
- (4) Place of delivery.
- (5) Tonnage to be shipped.
- (6) Amount of Government-furnished

property.

(R 1-7.703-2)

Alternate V (APR 1984). If the requirement is for research and development and it is desired to include the clause, substitute the following subparagraphs (a) (1) and (a)(3) and paragraph (b) for subparagraphs (a)(1) and (a)(3) and paragraph (b) of the basic clause:

(1) Drawings, designs, or specifications.

(3) Place of inspection, delivery, or acceptance.

(b) If any such change causes an increase or decrease in the cost of, or item required for, performing this contract, whether or not changed by the order, the Contracting Officer shall make an equitable adjustment in (1) the contract price, the time of performance, or both; and (2) other affected terms of the contract, and shall modify the contract accordingly.

(R 7-304.1 1965 JUN)

(R 1-7.304-1)

52.246-2 Inspection of Supplies
Fixed-Price.

As prescribed in 46.302, insert the following clause:

INSPECTION OF SUPPLIES
FIXED-PRICE (JUL 1985)

(a) Definition. "Supplies," as used in this clause, includes but is not limited to raw materials, components, intermediate assemblies, end products, and lots of supplies.

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(b) The Contractor shall provide and maintain an inspection system acceptable to the Government covering supplies under this contract and shall tender to the Government for acceptance only supplies that have been inspected in accordance with the inspection system and have been found by the Contractor to be in conformity with contract requirements. As part of the system, the Contractor shall prepare records evidencing all inspections made under the system and the outcome. These records shall be kept complete and made available to the Government during contract performance and for as long afterwards as the contract requires. The Government may perform reviews and evaluations as reasonably necessary to ascertain compliance with this paragraph. These reviews and evaluations shall be conducted in a manner that will not unduly delay the contract work. The right of review, whether exercised or not, does not relieve the Contractor of the obligations under the contract.

(c) The Government has the right to inspect and test all supplies called for by the contract, to the extent practicable, at all places and times, including the period of manufacture, and in any event before acceptance. The Government shall perform inspections and tests in a manner that will not unduly delay the work. The Government assumes no contractual obligation to perform any inspection and test for the benefit of the Contractor unless specifically set forth elsewhere in this contract.

(d) If the Government performs inspection or test on the premises of the Contractor or a subcontractor, the Contractor shall furnish, and shall require subcontractors to furnish, without additional charge, all reasonable facilities and assistance for the safe and convenient performance of these duties. Except as otherwise provided in the contract, the Government shall bear the expense of Government inspections or tests made at other than the Contractor's or subcontractor's premises; provided, that in case of rejection, the Government shall not be liable for any reduction in the value of inspection or test samples.

(e)(1) When supplies are not ready at the time specified by the Contractor for

inspection or test, the Contracting Officer may charge to the Contractor the additional cost of inspection or test.

(2) The Contracting Officer may also charge the Contractor for any additional cost of inspection or test when prior rejection makes reinspection or retest necessary.

(f) The Government has the right either to reject or to require correction of nonconforming supplies. Supplies are nonconforming when they are defective in material or workmanship or are otherwise not in conformity with contract requirements. The Government may reject nonconforming supplies with or without disposition instructions.

(g) The Contractor shall remove supplies rejected or required to be corrected. However, the Contracting Officer may require or permit correction in place, promptly after notice, by and at the expense of the Contractor. The Contractor shall not tender for acceptance corrected or rejected supplies without disclosing the former rejection or requirement for correction, and, when required, shall disclose the corrective action taken.

(h) If the Contractor fails to promptly remove, replace, or correct rejected supplies that are required to be removed or to be replaced or corrected, the Government may either (1) by contract or otherwise, remove, replace, or correct the supplies and charge the cost to the Contractor or (2) terminate the contract for default. Unless the Contractor corrects or replaces the supplies within the delivery schedule, the Contracting Officer may require their delivery and make an equitable price reduction. Failure to agree to a price reduction shall be a dispute.

(i)(1) If this contract provides for the performance of Government quality assurance at source, and if requested by the Government, the Contractor shall furnish advance notification of the time (i) when Contractor inspection or tests will be performed in accordance with the terms and conditions of the contract and (ii) when the supplies will be ready for Government inspection.

(2) The Government request shall specify the period and method of the advance notification and the Government

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representative to whom it shall be furnished. Requests shall not require more than 2 workdays of advance notification if the Government representative is in residence in the Contractor's plant, nor more than 7 workdays in other instances.

(j) The Government shall accept or reject supplies as promptly as practicable after delivery, unless otherwise provided in the contract. Government failure to inspect and accept or reject the supplies shall not relieve the Contractor from responsibility, nor impose liability on the Government, for nonconforming supplies.

(k) Inspections and tests by the Government do not relieve the Contractor of responsibility for defects or other failures to meet contract requirements discovered before acceptance. Acceptance shall be conclusive, except for latent defects, fraud, gross mistakes amounting to fraud, or as otherwise provided in the contract.

(l) If acceptance is not conclusive for any of the reasons in paragraph (k) hereof, the Government, in addition to any other rights and remedies provided by law, or under other provisions of this contract, shall have the right to require the Contractor (1) at no increase in contract price, to correct or replace the defective or nonconforming supplies at the original point of delivery or at the Contractor's plant at the Contracting Officer's election, and in accordance with a reasonable delivery schedule as may be agreed upon between the Contractor and the Contracting Officer; provided, that the Contracting Officer may require a reduction in contract price if the Contractor fails to meet such delivery schedule, or (2) within a reasonable time after receipt by the Contractor of notice of defects or nonconformance, to repay such portion of the contract as is equitable under the circumstances if the Contracting Officer elects not to require correction or replacement.

When supplies are returned to the Contractor, the Contractor shall bear the transportation cost from the original point of delivery to the Contractor's plant and return to the original point when that point is not the Contractor's plant. If the Contractor fails to perform or act as required in (1) or (2) above and does not cure such failure within a period of 10 days (or such longer period as the Contracting

Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure, the Government shall have the right by contract or otherwise to replace or correct such supplies and charge to the Contractor the cost occasioned the Government thereby.

(End of clause)

Alternate I (JUL 1985). If a fixed-price incentive contract is contemplated, substitute paragraphs (g), (h), and (l) below for paragraphs (g), (h), and (l) of the basic clause.

(g) The Contractor shall remove supplies rejected or required to be corrected. However, the Contracting Officer may require or permit correction in place, promptly after notice. The Contractor shall not tender for acceptance corrected or rejected supplies without disclosing the former rejection or requirement for correction, and when required shall disclose the corrective action taken. Cost of removal, replacement, or correction shall be considered a cost incurred, or to be incurred, in the total final negotiated cost fixed under the incentive price revision clause. However, replacements or corrections by the Contractor after the establishment of the total final price shall be at no increase in the total final price.

(h) If the Contractor fails to promptly remove, replace, or correct rejected supplies that are required to be removed or to be replaced or corrected, the Government may either (1) by contract or otherwise, remove, replace, or correct the supplies and equitably reduce the target price or, if established, the total final price or (2) may terminate the contract for default. Unless the Contractor corrects or replaces the nonconforming supplies within the delivery schedule, the Contracting Officer may require their delivery and equitably reduce any target price or, if it is established, the total final contract price. Failure to agree upon an equitable price reduction shall be a dispute.

(l) If acceptance is not conclusive for any of the reasons in paragraph (k) hereof, the Government, in addition to any other rights and remedies provided by law, or under other provisions of this contract, shall have the right to require the Contractor (1) at no increase in any target price or, if it is

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established, the total final price of this contract, to correct or replace the defective or nonconforming supplies at the original point of delivery or at the Contractor's plant at the Contracting Officer's election, and in accordance with a reasonable delivery schedule as may be agreed upon between the Contractor and the Contracting Officer; provided, that the Contracting Officer may require a reduction in any target price, or, if it is established, the total final price of this contract, if the Contractor fails to meet such delivery schedule; or (2) within a reasonable time after receipt by the Contractor of notice of defects or nonconformance, to repay such portion of the total final price as is equitable under the circumstances if the Contracting Officer elects not to require correction or replacement. When supplies are returned to the Contractor, the Contractor shall bear the transportation costs from the original point of delivery to the Contractor's plant and return to the original point when that point is not the Contractor's plant. If the Contractor fails to perform or act as required in (1) or (2) above and does not cure such failure within a period of 10 days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure, the Government shall have the right by contract or otherwise to replace or correct such supplies and equitably reduce any target price or, if it is established, the total final price of this contract.

Alternate II (JUL 1985). If a fixed-ceiling-price contract with retroactive price redetermination is contemplated, substitute paragraphs (g), (h), and (l) below for paragraphs (g), (h), and (l) of the basic clause:

(g) The Contractor shall remove supplies rejected or required to be corrected. However, the Contracting Officer may require or permit correction in place, promptly after notice. The Contractor shall not tender for acceptance corrected or rejected supplies without disclosing the former rejection or requirement for correction, and when required shall disclose the corrective action taken. Cost of removal, replacement, or correction shall be considered a cost incurred, or to be incurred, when

redetermining the prices under the price redetermination clause. However, replacements or corrections by the Contractor after the establishment of the redetermined prices shall be at no increase in the redetermined price.

(h) If the Contractor fails to promptly remove, replace, or correct rejected supplies that are required to be removed or to be replaced or corrected, the Government may either (1) by contract or otherwise, remove, replace, or correct the supplies and equitably reduce the initial contract prices or, if established, the redetermined contract prices or (2) terminate the contract for default. Unless the Contractor corrects or replaces the nonconforming supplies within the delivery schedule, the Contracting Officer may require their delivery and equitably reduce the initial contract price or, if it is established, the redetermined contract prices. Failure to agree upon an equitable price reduction shall be a dispute.

(l) If acceptance is not conclusive for any of the reasons in paragraph (k) hereof, the Government, in addition to any other rights and remedies provided by law, or under other provisions of this contract, shall have the right to require the Contractor (1) at no increase in the initial contract prices, or, if it is established, the redetermined prices of this contract, to correct or replace the defective or nonconforming supplies at the original point of delivery or at the Contractor's plant at the Contracting Officer's election, and in accordance with a reasonable delivery schedule as may be agreed upon between the Contractor and the Contracting Officer; provided, that the Contracting Officer may require a reduction in the initial contract prices, or, if it is established, the redetermined prices of this contract, if the Contractor fails to meet such delivery schedule; or (2) within a reasonable time after receipt by the Contractor of notice of defects or nonconformance, to repay such portion of the initial contract prices, or, if it is established, the redetermined prices of this contract, as is equitable under the circumstances if the Contracting Officer elects not to require correction or replacement. When supplies are returned to the Contractor, the Contractor shall bear the transportation

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costs from the original point of delivery to the Contractor's plant and return to the original point when that point is not the Contractor's plant. If the Contractor fails to perform or act as required in (1) or (2) above and does not cure such failure within a period of 10 days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure, the Government shall have the right by contract or otherwise to replace or correct such supplies and equitably reduce the initial contract prices, or, if it is established, the redetermined prices of this contract.

52.246-4 Inspection of Services—Fixed-Price.

As prescribed in 46.304, insert the following clause in solicitations and contracts for services, or supplies that involve the furnishing of services, when a fixed-price contract is contemplated and the contract amount is expected to exceed the small purchase limitation. The clause may be inserted in such solicitations and contracts when the contract amount is expected to be within the small purchase limitation, and inclusion of the clause is in the Government's interest.

INSPECTION OF SERVICES—FIXED-PRICE (APR 1984)

(a) Definitions. "Services," as used in this clause, includes services performed, workmanship, and material furnished or utilized in the performance of services.

(b) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the Government during contract performance and for as long afterwards as the contract requires.

(c) The Government has the right to inspect and test all services called for by the contract, to the extent practicable at all times and places during the term of the contract. The Government shall perform inspections and tests in a manner that will not unduly delay the work.

(d) If any of the services do not conform with contract requirements, the Government may require the Contractor to perform the services again in conformity with contract requirements, at no increase in contract amount. When the defects in services cannot be corrected by reperformance, the Government may (1) require the Contractor to take necessary action to ensure that future performance conforms to contract requirements and (2) reduce the contract price to reflect the reduced value of the services performed.

(e) If the Contractor fails to promptly perform the services again or to take the necessary action to ensure future performance in conformity with contract requirements, the Government may (1) by contract or otherwise, perform the services and charge to the Contractor any cost incurred by the Government that is directly related to the performance of such service or (2) terminate the contract for default.

(End of clause)

(R 7-1902.4 1971 NOV)

52.246-16 Responsibility for Supplies.

As prescribed in 46.316, insert the following clause in solicitations and contracts for (a) supplies, (b) services involving the furnishing of supplies, or (c) research and development, when a fixed-price contract is contemplated and the contract amount is expected to exceed the small purchase limitation. The contracting officer may use the clause in such solicitations and contracts when the contract amount is not expected to exceed the small purchase limitation, and inclusion of the clause is authorized under agency procedures.

RESPONSIBILITY FOR SUPPLIES (APR 1984)

(a) Title to supplies furnished under this contract shall pass to the Government upon formal acceptance, regardless of when or where the Government takes physical possession, unless the contract specifically provides for earlier passage of title.

(b) Unless the contract specifically provides otherwise, risk of loss of or damage to supplies shall remain with the Contractor

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until, and shall pass to the Government upon

(1) Delivery of the supplies to a carrier, if transportation is f.o.b. origin; or

(2) Acceptance by the Government or delivery of the supplies to the Government at the destination specified in the contract, whichever is later, if transportation is f.o.b. destination.

(c) Paragraph (b) above shall not apply to supplies that so fail to conform to contract requirements as to give a right of rejection. The risk of loss of or damage to such nonconforming supplies remains with the Contractor until cure or acceptance. After cure or acceptance, paragraph (b) above shall apply.

(d) Under paragraph (b) above, the Contractor shall not be liable for loss of or damage to supplies caused by the negligence of officers, agents, or employees of the Government acting within the scope of their employment.

(End of clause)

(R 7-103.6 1968 JUN)

(R 1-7.102-6)

52.247-45 F.o.b. Origin and/or F.o.b. Destination Evaluation.

As prescribed in 47.305-2(b), insert the following provision in solicitations when offers are solicited on the basis of both f.o.b. origin and f.o.b. destination:

F.O.B. ORIGIN AND/OR F.O.B.
DESTINATION EVALUATION (APR
1984)

Offers are invited on the basis of both f.o.b. origin and f.o.b. destination, and the Government will award on the basis the Contracting Officer determines to be most advantageous to the Government. An offer on the basis of f.o.b. origin only or f.o.b. destination only is acceptable, but will be evaluated only on the basis submitted.

(End of provision)

(R 7-2003.24(d) 1968 JUN)

52.247-47 Evaluation F.o.b. Origin.

As prescribed in 47.305-3(f)(2), insert the following provision. When it is appropriate to use methods other than land transportation in evaluating offers; e.g., air,

pipeline, barge, or ocean tanker, the provision shall be modified accordingly.

EVALUATION F.O.B. ORIGIN (APR
1984)

Land methods of transportation by regulated common carrier are the normal means of transportation used by the Government for shipment within the United States (excluding Alaska and Hawaii). Accordingly, for the purpose of evaluating offers, only these methods will be considered in establishing the cost of transportation between offeror's shipping point and destination (tentative or firm, whichever is applicable) in the United States (excluding Alaska and Hawaii). This transportation cost will be added to the offer price in determining the overall cost of the supplies to the Government. When tentative destinations are indicated, they will be used only for evaluation purposes, the Government having the right to use any other means of transportation or any other destination at the time of shipment.

(End of provision)

(R 7-2003.23(d) 1974 APR)

52.247-50 No Evaluation of Transportation Costs.

As prescribed in 47.305-5(c)(1), insert the following provision in solicitations when exact destinations are not known and it is impractical to establish tentative or general delivery places for the purpose of evaluating transportation costs:

NO EVALUATION OF
TRANSPORTATION COSTS (APR 1984)

Costs of transporting supplies to be delivered under this contract will not be an evaluation factor for award.

(End of provision)

(R 7-2003.70 1974 APR)

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SUBPART 52.3 PROVISION AND CLAUSE MATRICES

FIXED-PRICE SUPPLY

Incorporate by *Reference **Full Text	Uniform Contract Format Section	Provision or Clause Number	FAR Text Reference	Title
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SOLICITATION PROVISIONS

Required-When-Applicable

**	K	52.207-4	7.203	Economic Purchase Quantity Supplies.
*	L	52.214-5	14.201-6(c)(1)	Submission of Bids.
*	L	52.214-7	14.201-6(c)(3)	Late Submissions, Modifications, and Withdrawals of Bids.
*	L	52.214-10	14.201-6(e)(2)	Contract Award Sealed Bidding.
*	L	52.214-13	14.201-6(g)	Telegraphic Bids.
*	L	52.214-15	14.201-6(i)	Period for Acceptance of Bids.
**	K	52.214-16	14.201-6(j)	Minimum Bid Acceptance Period.
*	L	52.214-21	14.201-6(p)(1)	Descriptive Literature.
**	L	52.214-21	14.201-6(p)(2)	Descriptive Literature Alternate I
*	M	52.214-22	14.201-6(q)	Evaluation of Bids for Multiple Awards.
*	L	52.215-16	15.407(d)(4)	Contract Award.
*	K	53.215-19	15.407(f)	Period for Acceptance of Offer.
*	L	52.216-1	16.105	Type of Contract.
**	K	52.219-1	19.304(a)	Small Business Concern Representation.
*	K	52.223-4	23.405	Recovered Material Certification.
*	L	52.247-45	47.305-2(b)	F.o.b. Origin and/or F.o.b. Destination Evaluation.
*	M	52.247-47	47.305-3(f)(2)	Evaluation F.o.b. Origin.
*	M	52.247-50	47.305-5(c)(1)	No Evaluation of Transportation Costs.

**PART 52 SOLICITATION PROVISIONS AND CONTRACT CLAUSES
(Mini-Clause Manual)**

FIXED-PRICE SUPPLY

Incorporate by *Reference **Full Text	Uniform Contract Format Section	Provision or Clause Number	FAR Text Reference	Title
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CONTRACT CLAUSES

Required

*	I	52.202-1	2.201	Definitions.
*	I	52.243-1	43.205(a)(1)	Changes Fixed-Price.

Required-When-Applicable

*	I	52.203-1	3.102-2	Officials Not to Benefit.
*	I	52.210-5	10.011(e)(1)	New Material.
*	I	52.210-7	10.011(g)(1)	Used or Reconditioned Material, Residual Inventory, and Former Government Surplus Property.
*	F	52.212-9	12.403(d)(a)	Variation in Quantity.
*	I	52.213-1	13.305	Fast Payment Procedure.
*	I	52.217-6	17.208(d)	Option for Increased Quantity.
*	I	52.217-7	17.208(e)	Option for Increased Quantity Separately Priced Line Item.
*	I	52.219-6	19.508(c)	Notice of Total Small Business Set-Aside.
*	I	52.219-7	19.508(d)	Notice of Partial Small Business Set-Aside.
*	I	52.232-1	32.111(a)(1)	Payments.
*	E	52.246-2	46.302	Inspection of Supplies Fixed-Price.
*	E	52.246-2	46.302	Inspection of Supplies Fixed-Price Alternate I
*	E	52.246-2	46.302	Inspection of Supplies Fixed-Price Alternate II
*	E	52.246-4	46.304	Inspection of Services Fixed-Price.
*	E	52.246-16	46.316	Responsibility for Supplies.

Optional

**	F	52.212-1	12.104(a)(2)	Time of Delivery.
**	F	52.212-1	12.104(a)(2)	Time of Delivery Alternate I
**	F	52.212-1	12.104(a)(2)	Time of Delivery Alternate II
**	F	52.212-1	12.104(a)(2)	Time of Delivery Alternate III
**	F	52.212-2	12.104(a)(3)	Desired and Required Time of Delivery.

ABC CLAUSE MANUAL MATRIX

TITLE OF CLAUSE	CLAUSE NO.	APPLICATION		UCF SECTION	REMARKS
		REQ	DQ		
All or None Offers	ABC 214-3	RA	RA	M	Use when more than one line item is used
Award	ABC 59-1	RA	RA	L	Self-Explanatory
Commercial Item Cert	ABC 211-1	RA	RA	L	Self-Explanatory
Contract for Contract Administration	ABC 900-1	RA	RA	G	Self-Explanatory
Delivery Hours	ABC 290-1	RA	RA	E	Susstitute different time if required
Delivery- FOB Dest.	ABC 290-2	RA	RA	E	Self-Explanatory
Inspection	ABC 300-1	RA	RA	E	Self-Explanatory
Marking	ABC 210-2	R	R	D	Self-Explanatory
Payments by Electronic Transfer	ABC 232-70	O	O	I	Use only when directed by Finance Office
Packaging & Marking	ABC 210-1	RA	RA	D	Self-Explanatory
Preservation, Packaging & Marking	ABC 210-3	R	R	D	For export only
Unsolicited Samples, Descriptive Lit.	ABC 490-1	RA	RA	L	Self-Explanatory

LEGEND:	REQ - Requirements; DQ - Definite Quantity RA - Required if Applicable R - Required O - Optional
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ABC CLAUSE MANUAL

ABC 214-3

ALL OR NONE OFFERS

(a) Unless awards in the aggregate are specifically precluded in this solicitation, the Government reserves the right to evaluate offers and make awards on an “all or none” basis as provided below.

(b) An offer submitted on an “all or none” or similar basis will be evaluated as follows: The lowest acceptable offer exclusive of the “all or none” offer will be selected with respect to each item (or group of items when the solicitation provides for aggregate awards) and the total cost of all items thus determined shall be compared with the total of the lowest acceptable “all or none” offer. Award will be made to result in the lowest total cost to the Government.

ABC 59-1

AWARD:

Until formal notice of award is issued, no communication by the Government, whether written or oral, shall be interpreted as a promise that an award will be made.

ABC 211-1

COMMERCIAL ITEM CERTIFICATION:

By signing this offer, the offeror certifies that the product(s) offered meet the requirements of the CID and the offeror’s commercial-type product(s) as defined below.

(a) A commercial product is a product such as an item, material component, subsystem, or system, (1) regularly used for other than Government purposes and (2) sold or traded to the general public in the course of normal business operations at prices based on established catalog or market prices (see FAR 15.804-3 for explanation of terms).

(b) A commercial-type product is a commercial product that is modified or altered, without degrading the quality, appearance, or function of the commercial product, in compliance with Government requirements and as such is usually sold only to the Government and not through the normal catalog or retail outlets, or (2) identified, packaged or marked differently than the commercial product normally sold to the general public.

ABC CLAUSE MANUAL

ABC 900-1

CONTACT FOR CONTRACT ADMINISTRATION

Offerors are required to designate a person to be contacted for prompt contract administration.

NAME_____

TITLE_____

ADDRESS_____

_____ZIP CODE_____

AREA CODE_____TELEPHONE NO_____

TELEX NO._____TWX_____

FAX_____

ABC 290-1

DELIVERY HOURS:

Where prices are quoted and accepted on a destination basis, delivery shall be performed between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, holidays excluded.

ABC 290-2

DELIVERY-F.O.B. DESTINATION

Prices offered must cover delivery f.o.b. destination.

ABC 300-1

INSPECTION:

Inspection of all products purchased under this contract will be made at destination by an authorized Government representative.

MARKING:

ABC CLAUSE MANUAL

ABC 210-2

(a) General requirements. Interior packages, if any, and exterior shipping containers shall be marked as specified elsewhere in the contract. Additional marking requirements may be specified on delivery orders issued under this contract. If not otherwise specified, interior packages and exterior shipping containers shall be marked in accordance with Federal Standard 123, edition in effect on the date of issuance of the solicitation.

(b) Improperly marked material. When Government inspection and acceptance are at destination, and delivered supplies are not marked in accordance with contract requirements, the Government has the right, without prior notice to the contractor to perform the required marking, by contract or otherwise, and charge the contractor, therefor at the rate specified elsewhere in this contract. This right is not exclusive, and is in addition to other rights or remedies provided for in this contract.

PAYMENTS BY ELECTRONIC FUNDS TRANSFER:

ABC 232-70

The submission of a designation of financial institution for receipt of electronic funds transfer payments shall be as follows: The contractor shall submit its designation of a financial institution for receipt of electronic funds transfer payments with each invoice requesting payment of \$25,000 or more (exclusive of any discount for prompt payment).

PACKAGING AND PACKING

ABC 210--1

(a) Packaging. Shall be in accordance with accepted commercial practice.

(b) Packing. Shall be packed to ensure carrier acceptance and safe delivery to the destination in containers complying with rules and regulations applicable to the mode of transportation.

PRESERVATION, PACKAGING, AND PACKING

ABC 210-3

If detailed specifications are not included, the contractor's commercial export packing will be accepted provided it meets the following requirements:

(a) Preservation and Packaging. Preservation and packaging which will afford adequate protection against corrosion, deterioration and physical damage.

(b) Packing. Packing which will afford adequate protection during shipment, handling storage, and world-wide redistribution.

ABC CLAUSE MANUAL

ABC 490-1

UNSOLICITED SAMPLES, DESCRIPTIVE LITERATURE, OR BRAND NAME REFERENCES

When procurement is effected under specifications or purchase descriptions (other than “brand name or equal”) and the Government does not specifically request bid samples, descriptive literature, or references to brand names, models, or part numbers as a integral part of the bid, and the bid is accompanied by any of those materials, the materials will be disregarded, unless it is clear from the bid or accompanying papers that it was the bidders’ intention to qualify the bid.

Provisions/Clauses Incorporated by Reference	Provisions/Clauses Provided in Full Text
52.214-22 Evaluation of Bids for Multiple Awards	
Reason: Since total Small Business Set-Aside the situation may exist that the low bidder can only offer less than the entire 10,000 reams. The award clause (52.214-10) allows for award of any qty.	
Provisions/Clauses Not Included & Why	Other
52.247-47 Evaluation FOB Origin -selected destination	
52.247-50 No Evaluation of Transportation Cost	
Reason: Prices bid FOB destination has been selected . Clauses relating to Origin are not applicable	
Note: If student justifies FOB origin, then 52.247-47 should be inc. by reference	
ABC-214-3 All or None Offers (Only 1 line proposed)	

SECTION _____

Provisions/Clauses Incorporated by Reference	Provisions/Clauses Provided in Full Text
52.246-2 Inspection of Supplies - Fixed Price	ABC-300-1 Inspection
52.246-16 Responsibility for Supplies	Reason: Inspection shall be at destination
Reason: Both clauses are required for sealed bidding	
and neither clause requires completion by the Govt.	ABC-290-1 Delivery Hours
or bidder	Contractor needs to know when deliveries can be made
	ABC-290-2 Delivery-FOB Destination
	Prices are being solicited on an Dest. basis.
	(NOTE: If the group elects to allow both origin
	and destination pricing, this clause would not be
	included.)
Provisions/Clauses Not Included & Why	Other
52.246-2 ALT I -This is not a FP Incentive Contract	
52.246-2 ALT II -Not FP Retroactive Contract	Direct the students attention to FAR 46.2 for
52.246-4 Inspection of Services -For services only	additional guidance if they seem to be having
52.246-72 Source Inspection by Government	trouble.
Reason: No need to inspect at source. Also clause	
52.246-2 provides for source at all times.	
ABC-521-5 clause can be used to merely let the bidders	
know when we will inspect at destination.	

SECTION _____

Provisions/Clauses Incorporated by Reference	Provisions/Clauses Provided in Full Text
	52.212-1 Time of Delivery Alt III
	Reason-Milestones in Acq. Plan show time is
	allowed for contractor to receive notice & still
	make delivery on time. Generally, using a
	"within days after the date of receipt of a written
	notice of award" will result in lower prices since
	the bidder has less of a risk for meeting the
	delivery schedule
Provisions/Clauses Not Included & Why	Other
52.212-9 Variation in Quantity	GENERALLY, AS LONG AS THE C.O.
Reason: Market Survey does not indicate any problems with	USES SOUND JUDGMENT IN SELECTING
awarding quantities proposed Economic Purchase	A TIME OF DELIVERY CLAUSE OR
Quantities clause should be considered (Section K)	VARIATION IN QUANTITY IT WOULD
52.212-1 Time of Delivery ALT I & II	BE ACCEPTABLE.
Reason: Do not need to identify contract award date	THE MAJOR CONCERN IS SELECTING A
52.212-2 Desired & Required Time of Delivery	CLAUSES THAT GETS THE SUPPLIES TO
Reason: Government needs to have more control	THE USER ON TIME!!!!
over delivery schedule in order to avoid a crisis	

SECTION _____

Provisions/Clauses Incorporated by Reference	Provisions/Clauses Provided in Full Text
52.202-1 Definitions -required for sealed bidding	ALTHOUGH CLAUSE 52.219-6 (TOTAL
52.203-1 Officials Not to Benefit -required clause	SMALL BUSINESS SET-ASIDE) MAY BE
52.210-5 New Materials -recycled materials are "new"	INC. BY REF., INCLUDING THIS CLAUSE
52.219-6 Total Small Business Set Aside -See AP	IN FULL TEXT MAY SAVE PROBLEMS
52.232-1 Payments -required for sealed bidding	LATER. NOT ALL BIDDERS CHECK OFF
52.243-1 Changes, Fixed Price -required for FP	THE CLAUSES INCORPORATED BY REF.
Provisions/Clauses Not Included & Why	Other
52.210-7 Used Material -recycled materials are "new"	ABC-232-70 - Payments by Electronic Transfer
52.213-1 - Fast Payment - Applicable to Small Purch.	Although the clause manual states only
52.216-6 and 52.217-7 - Options	use when so directed and the PR/AP do
Reason: Not applicable since this procurement is a one-time	not authorize You might consider
only buy & supplies are on open market	checking this out with Office of Finance.
52.219-7 - Partial Set-Aside	
Reason: sufficient sources exist for total set-aside	

SECTION _____

Provisions/Clauses Incorporated by Reference	Provisions/Clauses Provided in Full Text
	52.219-1 Small Business Concern Rep.
	Reason: Bidders need to fill in to certify they are small since total set-aside is used
	52.207-4 Economic Purchase Qty:
	Required unless it has been determined the unit of measure is considered the most econom- ical for the market place.
Provisions/Clauses Not Included & Why	Other
52.214-16 Min Bid Acceptance	
Supplies are available on open market - no problems with award are anticipated	
52.214-19 Period of Acceptance of Offer	
Use only if SF33 is not being issued with sol.	
52.223-4 - Recovered Material Certification - CID	
CID only encourages use of this material . This clause requires the use of recovered material	

SECTION _____

Provisions/Clauses Incorporated by Reference	Provisions/Clauses Provided in Full Text
52.214-5 Submission of Bids	ABC-211-1 Commercial Item Certificate
-required for sealed bidding	Reason: Required since CID used as specification
52.214-7 Late Submission, etc.	
-required for sealed bidding	ABC-490-1 Unsolicited Descriptive Literature, etc
52.214-10 Contract Award	Reason: Required since descriptive literature is
-required for sealed bidding	not required
	ABC 59-1 Award.
	Agency clause manual implies this clause should be used.
Provisions/Clauses Not Included & Why	Other
52.214-13 Telegraphic Bids -sufficient time exists	
52.214-21 Descriptive Literature	
Reason: Not needed for evaluation. Item is commercially available from multiple sources	
52.215-16 Contract Award -Use when negotiating	
52.247-45 - FOB Origin and/or FOB Dest. Eval.	
Reason: Not requesting origin prices, however, is student gives adequate justification for using origin prices,	
then allow as full text	
52.215-19 Period for Acceptance -Clause is on SF33	
52.216-1 Type of Contract -use only with RFP/RFQs	

INTERACTIVE REVIEW QUESTIONS

If time permits the instructor will conduct an interactive review of this lesson using the following questions. If there is not sufficient time, you should try to answer these questions at home to prepare yourself for the end of course exam.

1. How do you determine whether the Uniform Contract Format is required?
2. What factors do you consider in establishing the opening dates and times for a solicitation?
3. What is the procedure for deviating from a FAR clause?
4. Name the contract types used in sealed bidding?
5. What is meant by an indefinite-delivery contract?

LESSON 3

PUBLICIZING THE IFB AND PREAWARD INQUIRIES

Primary Learning Objective

Primary Objective #1:

- Condition: Given a proposed solicitation,
- Action: Select and implement a method or methods of publicizing the proposed procurements
- Standard: Market notified to extent required and necessary for obtaining competition for prime contracts and to offer subcontracting opportunities to small businesses.

Primary Objective #2:

- Condition: Given a written or oral inquiry on a solicitation, copies of bids and proposals received in response to the solicitation, and a copy of the solicitation
- Action: Respond to inquiries concerning solicitations
- Standard: No information disclosed that would give one offeror a competitive edge over another. After receipt of proposals, does not disclose any information on the content of proposals from other offerors. Answers to inquiries are correct and complete. All files are fully documented.

Course Learning Objectives (CLO)

At the completion of this course the student will be able to:

3-1 Publicize an IFB/Award

- Determine the need for synopsisizing an IFB/Award.
- Identify whether an exception to the synopsis requirement applies.
- Prepare a synopsis.
- Forward a synopsis.

3-2 Respond to verbal inquiries.

- State and describe information about the procurement that may not be divulged.
- State what to do in responding to a verbal inquiry.

Estimated Time

3 hours, including break

Method of Instruction

Lecture/Discussion with viewgraphs as visuals
 Interactive viewgraphs
 Student Exercise — Case Study Time Requirements
 Student Exercise — Case Study Roleplay
 Interactive Review Questions

Student Materials

Text/Reference — Chapter Three (page 3-1)
 Classroom Materials — Lesson Three (Case Studies)

Lesson Overview

This lesson provides a detailed discussion on publicizing an IFB and on responding to preaward inquiries. Specific points of interest include:

- Synopsizing in the Commerce Business Daily.
- Determining the need to synopsize.
- Exceptions to synopsizing.
- Preparing and forwarding the synopsis.
- Other methods of publicizing.
- Issuing the IFB (Time Requirements).
- Information that can be released to inquirers before the IFB is issued.
- Information that can be released to inquirers after the IFB is issued.

LESSON 3

- Information that cannot be released to inquirers.
- Freedom of Information Act.

This lesson will be presented by the instructor in a lecture/discussion format. The instructor will use interactive viewgraphs and numerous examples to enhance student participation and attentiveness.

There is a case study that serves as an example of how to determine the time requirements for transmitting a synopsis. (This case study is the same one, with slight modifications, used in Lesson Two.) There is a roleplay covering preaward inquiries.

There are several interactive learning review questions in this lesson. The instructor, if time permits, will conduct an interactive review using these questions. He/she will ask a student to answer a question and then ask another student to indicate whether or not the first student was correct or whether something should be added to the answer. The second student may then add to the first student's original answer. The instructor will continue in this manner until the question has been sufficiently answered. If time does not permit an interactive review of the material, you should answer these questions in your own free time to prepare for the end of course exam.

CASE STUDY 3-1 THE SOLICITATION

An Army supply officer at a U.S. Army base in Huntsville, Alabama reviewed his warehouse inventory and determined that it is time to purchase additional tires. The warehouse supplies the needed equipment and spare parts for all kinds of rolling equipment including staff cars, pick-up trucks, jeeps, etc., over an 18 state area in the central part of the U.S. As a result of a careful inspection of his inventory, the supply officer decides he needs the following:

7,100 Pneumatic Tires SN AX400
15,350 Pneumatic Tires SN AX675
4,900 Pneumatic Tires SN AX460

The supply officer checks his source data and finds that the Defense Logistics Agency (DLA) is the assigned buying activity, but that the tires are not available under scheduled contracts. In order to accommodate an immediate need, an initial delivery of 500 units of each model is requested, and the remaining quantities are to be delivered in equal amounts over an 11-month period.

The purchase request arrives in the DLA Procurement Division on January 20, 1990, and is assigned to John Will by the contracting officer.

Review of the purchase request provides additional information as follows:

Need date for initial delivery is August 1st of this year.
Tire No. AX400 is a size 14.
All other tires are a size 16.

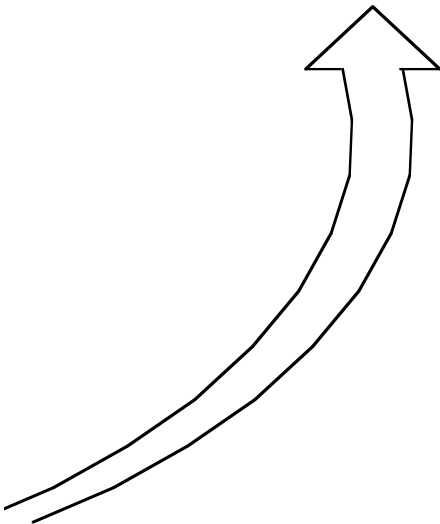
The CO, Gloria Fox, tells John to write a synopsis for this requirement and send it to the CBD. She gives him DLA's address: Defense Logistics Agency, Procurement Division (P-VT), Bldg. 8, Cameron Station, VA., 22608.

EXERCISE

Assuming you are John Will complete the form on the next page!

3-7a

STEP 1A



CASE STUDY 3-2
RESPONDING TO PREAWARD INQUIRIES

Instructions:

Two students will be selected by the instructor to act out the following roleplaying exercise.

One student will represent the Contract Specialist, the other an interested bidder.

The interested bidder will ask a question, the Contract Specialist will answer with a Yes or No only.
The call will discuss the specialist's response.

ROLEPLAY EXERCISE:
RESPONDING TO PREAWARD INQUIRIES

Stage: Solicitation has been issued. Receiver is the Contract Specialist in charge of the solicitation. There is one week before bid opening. No other calls have been received.

Caller: Hello. I am Joe Brown with CREEK, Incorporated. I received your solicitation in the mail and am trying to respond. I have a few questions - Can you help me?

Response from Contract Specialist: Answer with a Yes or NO

Joe Brown: I need extra copies of the specifications. Can you tell me where I can go to get them.

Response from Contract Specialist: Answer with a Yes or NO

Joe Brown: Thanks, I will get them right away.
My next question is I would like to know who else is bidding. Can you tell me who has already responded?

Contract Specialist: Answer with a Yes or NO

Joe Brown: Well then, how about a list of everyone who got copies of the solicitation?

Contract Specialist: Answer Yes or NO

Joe Brown: Can you tell me how much the Government estimates this should cost?

Contract Specialist: Answer Yes or NO

Joe Brown: We would like to offer an alternate item instead of the one requested. Would this item be acceptable?

Contract Specialist: Answer Yes or NO

Joe Brown: I have read the clause 52.232-25 entitled: Prompt Payment. This clause is 5 pages long. I get lost every time I read it. Can you explain it to me in terms I can understand?

Contract Specialist: Answer Yes or NO

Joe Brown: I just received the solicitation last week and its going to take me at least two weeks to complete it. Can you extend the date of bid opening to allow me time to bid? I am certain it will be worth your while competitively.

Contract Specialist: Answer Yes or NO

Joe Brown: NO? OK. If you can't extend the date is it possible for me to get clarification. It appears that on page 10 you want the requirements in an oblong box. On page 15 you state the requirements must be delivered in a tube. Can you tell me which is correct?

Contract Specialist: Answer Yes or NO

Joe Brown: The statement of work seems to be very vague. Can you give me the background information on how it was developed? What decisions were made and how the estimates were determined?

Contract Specialist: Answer Yes or NO

INTERACTIVE REVIEW QUESTIONS

If time permits the instructor will conduct an interactive review of this lesson using the following questions. If there is not sufficient time, you should try to answer these questions at home to prepare yourself for the end of course exam.

1. What factors determine the need for synopsisizing an IFB?
2. List three examples of exceptions to synopsisizing.
3. What is the most efficient method of forwarding a synopsis?
4. List four methods of publicizing a contract action excluding writing a synopsis.
5. List four items of general information that may be divulged when receiving a preaward inquiry?

LESSON 4

AMENDING AND CANCELLING

Primary Learning Objective

Primary Objective #1:

Condition: Given a solicitation, proposals from the requiring activity to change the quantity, specifications, delivery schedules, closing dates, etc., and/or complaints or recommendations from potential offerors about specifications or other terms and conditions.

Action:

- Determine whether to amend, cancel, or make no changes to IFBs (before opening).
- Prepare an amendment to the solicitation.

Standard: Amends an IFB (before opening) when the overall scope of the contract would not be affected. Cancels IFBs before opening when the requirement no longer exists, funds are no longer available, or when the overall scope of the contract has changed to the extent that the original synopsis and/or solicitation no longer validly describes the requirement.

Amendments clarify or correct all significant ambiguities, errors, or omissions in the Government's statement of the minimum functional need (as the need has evolved since the solicitation was issued) and/or other terms and conditions. All amendments are properly executed and put all offerors on an equal footing. No award is made unless the amendment has been issued in sufficient time to permit all prospective offerors to consider such information in submitting or modifying their bids.

Primary Objective #2:

Condition: Given an IFB and a decision to cancel an IFB prior to bid opening.

Action: Cancel the IFB.

Condition: Given an IFB and the bids.

Action: Determine whether to cancel after opening and, if so, cancel the IFB.

Standard: Correctly prepares cancellation notices and notifies all potential offerors.

**Course Learning
Objectives (CLO)**

At the completion of this course, the student will be able to:

4-1 Determine whether or not to amend a solicitation

- State what to do after obtaining written revisions to the purchase request from the requiring activity.
- Identify problems with issued solicitations from bidder inquiries or pre-bid conferences.
- Determine whether to leave the solicitation “as is,” amend the solicitation, or cancel the solicitation.

4-2 Prepare an amendment to the solicitation

- Determine whether to extend the bid opening date.
- Prepare amendment using the Standard Form 30.
- State how to issue an amendment.

4-3 Determine whether or not to cancel the solicitation

- Determine whether or not to cancel the IFB before bid opening.
- Identify compelling reasons to cancel IFB after bid opening.

4-4 Cancel the solicitation

- Prepare notice of cancellation when solicitation is cancelled either before or after bid opening.
- State what to do to notify prospective bidders of a cancelled solicitation.
- Document the cancellation in the contract file.

Estimated Time 3 hours, 10 minutes (including lunch break)

Method of Instruction Lecture/Discussion with viewgraphs as visuals
Interactive viewgraphs
Student Exercise — Case Studies on Amending Solicitations and Cancelling Solicitations
Interactive Review Questions

Student Materials Text/Reference — Chapter Four (page 4-1)
Classroom Materials — Lesson Four (Case Studies)

Lesson Overview This lesson provides a detailed discussion on amending and cancelling IFBs. Specific points of interest include:

- Determining whether to amend or cancel the IFB.
- Potential problems with issued IFBs.
- Pre-bid conferences.
- Problems discovered in-house.
- Postponing the bid opening date.
- Preparing the amendment using the Standard Form 30.
- Issuing the amendment.
- Preparing the notice of cancellation.

LESSON 4

- Notifying bidders of the cancellation and documenting the file.
- Reasons for cancelling the IFB after bid opening.
- Converting from sealed bidding to negotiation.

This lesson will be presented by the instructor in a lecture/discussion format. The instructor will use interactive viewgraphs and numerous examples to enhance student participation and attentiveness.

There are three case studies. The first case study requires you to determine whether an amendment is necessary. The second case study asks you to determine whether cancelling and resoliciting is the correct decision made by the contracting officer in the case. The third case is a continuation of Lesson Two. If time permits prepare an amendment based on Case Study 4-3).

OPTIONAL EXERCISE: This lesson has a worksheet (SF 30) that the instructor will assist you in filling out. This worksheet will not be graded; it is simply there to teach you how to prepare the form.

There are several interactive learning review questions in this lesson. The instructor, if time permits, will conduct an interactive review using these questions. He/she will ask a student to answer a question and then ask another student to indicate whether or not the first student was correct or whether something should be added to the answer. The second student may then add to the first student's original answer. The instructor will continue in this manner until the question has been sufficiently answered. If time does not permit an interactive review of the material, you should answer these questions in your own free time to prepare for the end of course exam.

**CASE STUDY 4-1
AMENDING SOLICITATIONS**

In January of this year, Thomas Dillon, an engineer assigned to the Army Tank and Automotive Command, issued a purchase request for 1,000 units of a particular mechanical component. Since the component was covered by a standard military specification, Dillon recommended that the acquisition be conducted by sealed bidding. The CO reviewed the purchase request and proceeded to issue an IFB with a bid opening date of March 13th of this year.

Early in February a new requirement arose for delivery of 200 additional units of the same component plus a requirement that serial numbers be engraved on each unit. After careful consideration, it was decided to amend the IFB to include the additional requirements.

The CO prepared the amendment to the IFB on February 15th and intended to release it the next day. However, the CO called in sick the next day and did not return to work for over a week. During that time his assistant, Jack Lacey, had the amendment reproduced and mailed to all sources that were mailed the IFB. At the time of the bid opening it became apparent that some of the bidders did not receive a copy of the amended solicitation.

QUESTION

What action should the CO take?

CASE STUDY 4-2 CANCELLING A SOLICITATION

The original IFB, issued on September 4, 1987, contained three schedules upon which to bid. Three responsive bids were received by the bid opening date, October 5. Security Storage & Moving was the low bidder on Schedule III, but prior to any awards, on October 14, the Department of Labor (DOL) notified the CO that the wage determination included in the solicitation package was in error, and that the appropriate wage determination was approximately \$1 per hour lower. The error was discovered as a result of an inquiry initiated by Weathers Brothers, one of the bidders. Based on this information, the CO decided to cancel the solicitation and resolicit, reasoning that since the contract was labor intensive, resolicitation could result in considerable savings to the Government. On November 25, the Army issued the new solicitation with a bid opening date of December 7, and Weathers Brothers now was the low bidder on Schedule III.

QUESTIONS

- 1. Security questioned the propriety of the change in the wage determination and claimed it was unfair to cancel a solicitation on that basis. Was it unfair? Why or why not?**
- 2. Security argues that the CO improperly failed to make an award under the original solicitation with reasonable promptness and that this undue delay prevented Security from receiving a contract to which it was entitled. Was the CO negligent? Why or why not?**
- 3. Security objects to the CO's action at the bid opening on the ground that she improperly allowed a Weathers Brothers representative to correct the solicitation number on the outside of the bid envelope. Does Security have a legitimate objection? Why or why not?**
- 4. Security contends that because only Weathers Brothers knew that the delay after the original bid opening likely was related to its inquiry involving the wage determination, Weathers Brothers had an unfair head start in recalculating its bid based on its presumed knowledge of the proper wage rates. Does Security have a valid dispute in this case?**
- 5. Security asserts that it was allowed inadequate time to prepare its revised bid under the new IFB. This ground for protest was evident from the face of the solicitation, and thus had to be raised before bid opening in order to be timely. Is Security's protest justified? Why or why not?**

CASE STUDY 4-3 CHANGES, CHANGES, AND MORE CHANGES

Background:

Jane Smith was able to meet her projected milestones - she issued her solicitation on December 30 with the bid opening scheduled for January 30. Jane anticipated award by March 1 and delivery to begin by March 20.

Instructions:

There are eight issues impacting this procurement. Each group will be required to:

- Identify the applicable UCF section for each issue
- Decide whether to
 - Make no change to the solicitation
 - Change the solicitation (and explain how)
 - Cancel the solicitation
- Each group is also required to prepare a SF30 covering an amendment

Issues

1. January 8: As part of his environmental program, the President has issued an Executive Order encouraging all Government agencies to accept only recycled products in their purchase orders and contracts. Of particular concern is the paper used by the Government for printing and duplicating.

Identify the Section: _____

Check One: No Change _____

Amend _____

Cancel _____

Defend your decision

2. January 11: The Office of Contracts reorganized. Jane Smith was reassigned to the Congressional Liaison Office and Larry Gray was assigned this procurement. His telephone number is (202) 936-2222.

Identify the Section: _____

Check One: No Change _____

Amend _____

Cancel _____

Defend your decision

LESSON 4

3. January 12: A prospective bidder called to request a change in the delivery schedule. He felt the delivery requirements are restrictive and would like to have them relaxed so he can bid. He can provide the delivery as follows: 2,500 reams within 30 days and 2,500 reams every 15 days thereafter.

Identify the Section: _____

Check One: No Change _____
Amend _____
Cancel _____

Defend your decision

4. January 15: The Office of Contracts was sent a copy of the Inspector General's report on contracting for xerographic paper. They found that the paper being delivered by the last two contractors did not meet specifications. The IG was considering turning this matter over to the Department of Justice. Larry checked his source list and noticed both of the contractors had been sent a copy of the solicitation.

Identify the Section: _____

Check One: No Change _____
Amend _____
Cancel _____

Defend your decision

5. January 20. A prospective bidder called and requested an extension of the bid opening date. They had just received the bid in the mail and would like to bid but would need more time.

Identify the Section: _____

Check One: No Change _____
Amend _____
Cancel _____

Defend your decision

6. January 25: The Reproduction Office called to request this procurement be expedited. They are running out of paper much faster than usual. They will be completely out within a month.

Identify the Section: _____

Check One: No Change _____
Amend _____
Cancel _____

Defend your decision

7. January 28: The Office of Contracts was physically moved to a building in downtown Washington. This was a result of the reorganization and the date of the move was known well in advance by everyone in the Office of Contracts. Larry Gray had decided not to amend the solicitation to show a new location for the bid opening, instead he planned to hold the opening at the original location. Two days before bid opening, however, he learned that the original location would not be opened to the public.

Identify the Section: _____

Check One: No Change _____

Amend _____

Cancel _____

Defend your decision

8. February 2: Two days after bid opening, Larry opened his mail and discovered that the requisitioner had included the wrong specification to the purchase request. Their letter was dated January 29 and due to the move did not arrive prior to bid opening. Larry determined that the differences included requiring a Wet Toner in lieu of a Dry Toner and the correct specification is specifically intended for use in the SAVIN copiers. Four bids were received. The prices were extremely good: \$5.95 to \$6.25.

Identify the Section: _____

Check One: No Change _____

Amend _____

Cancel _____

Defend your decision

INTERACTIVE REVIEW QUESTIONS

LESSON 4

If time permits the instructor will conduct an interactive review of this lesson using the following questions. If there is not sufficient time, you should try to answer these questions at home to prepare yourself for the end of course exam.

1. List two ways that problems with IFBs would be identified.

2. List three potential problems with issued solicitations.

3. What is a pre-bid conference and what is its purpose?

4. List three situations that would authorize a cancellation of an IFB before bid opening.

5. What should you include in a cancellation notice?

LESSON 5

PROCESSING BIDS

Primary Learning Objective

Primary Objective #1:

Condition: Given the solicitation and several bids,

Action:

- Receive and control bids
- Open, read, record, and abstract bids

Standard: All bids kept secure. Opens and correctly abstracts the bid no earlier than the opening date and time.

Primary Objective #2:

Condition: Given an IFB which includes “Minimum Bid Acceptance Period” and several bids,

Action: Request time extensions of bid expiration dates

Standard: The several bidders who submitted the lowest unexpired bids are provided an opportunity to keep their bids valid through the procurement process up to award, when the Government encounters administrative difficulties that would delay award beyond bidders’ acceptance periods.

Primary Objective #3:

Condition: Given a solicitation specifying a due date and time for receipt of offers and several late offers

Action: Determine which late offers, if any, can be considered for award

Standard: Decisions strictly comply with FAR 14.304 on the administration of late offers.

Primary Objective #4:

Condition: Given an IFB and bids that have been opened and abstracted

Action: Determine responsiveness to the IFB

Standard: The apparent low bid complies in all material aspects with the IFB; all minor informalities/irregularities are corrected or waived.

Primary Objective #5:

Condition: Given bids with one or more of the following:

- Economic price adjustments
- Transportation cost
- Options
- Other price-related factors

Action: Calculate the evaluated price for each bid and determine whether the lowest price is reasonable

Standard: Considers all price-related factors and accurately calculates evaluated prices. Identifies all comparative data, selects the best price comparison and analysis techniques for the procurement, and accurately adjusts the data for equitable comparison with proposed prices. Correctly determines whether the lowest price bid is reasonable.

**Course Learning
Objectives (CLO)**

At the completion of this course the student will be able to:

5-1 Receive and control bids

- Secure bids, or modification to bids, in a locked box or safe.
- Return bids unopened, if IFB is cancelled.
- Provide information concerning bidder identity to Government employees only on a “need to know” basis.

5-2 Open, read, and abstract bids

- Ensure that all bidders’ representatives have an appropriate security clearance if the bid is classified.
- Open the bid on the designated date and time.

5-3 Request time extensions of bid expiration dates

- Determine each bid’s acceptance period.
- Identify any bid that fails to offer the minimum bid acceptance period and reject each such bid as nonresponsive.
- Explain what to do if award will be delayed and the time set forth in the bid will expire.

5-4 Determine which late bids can be considered for award

- Identify all bids which are received in the designated Government office after the exact time specified in the solicitation.
- Determine which late bids can be opened and considered for award.
- State what to do when an unacceptable late bid is received.

5-5 Determine responsiveness to the IFB

- Determine whether the bid conforms to the essential requirements of the IFB.
- Identify minor informalities and irregularities in the bid.
- Provide the bidder with an opportunity to cure any deficiency resulting from the irregularity.
- Reject nonresponsive bids.

5-6 Calculate the evaluated price for each bid

- Identify price-related factors in the bids
- Describe the procedure for verifying the bidder's computations and applying price-related factors to determine the evaluated price.

5-7 Determine whether the lowest price is reasonable

- Describe price analysis and the procedures used to determine whether the bid in line for award is fair and reasonable.
- Convert from sealed bidding to negotiation if all otherwise acceptable bids received are at unreasonable prices.
- Determine the bid that is in line for award for equally low bids.

Estimated Time

1 day, 1 hour, 30 minutes

Method of Instruction

Lecture/Discussion with viewgraphs as visuals
 Interactive viewgraphs
 Student Exercise — Case Studies on processing bids and on bid evaluation
 Interactive Review Questions

Student Materials

Text/Reference — Chapter Five (page 5-1)
 Student Guide — Lesson Five (Case Studies) (page 5-1)

Lesson Overview

This lesson provides a detailed discussion on processing bids. Specific points of interest include:

- Receiving, securing, and controlling bids.
- Telegraphic bids.
- Modifications and withdrawals of bids.
- Reasons for postponing the bid opening.
- Opening and abstracting bids.
- Classified bid openings.
- Requesting time extensions.
- Firm-bid rule.
- Late bids.
- Bid responsiveness including the difference between a non-responsive bid and a minor informality or irregularity.
- Evaluating bid prices.
- Price-related factors.
- Buy American Act.
- Trade Agreements Act.
- Multiple awards.
- Economic price adjustment.
- Discounts.
- All-or-none bids.
- Price analysis techniques.
- Conditions for the use of negotiation.
- Equally low bids.

LESSON 5

This lesson will be presented by the instructor in a lecture/discussion format. The instructor will use interactive viewgraphs and numerous examples to enhance student participation and attentiveness. A simulated bid opening will be conducted.

There are two case studies. The first case study involves a lost bid. The second case study requires you to evaluate several bids and determine which contractor(s) should receive the award.

There are several interactive learning review questions in this lesson. The instructor, if time permits, will conduct an interactive review using these questions. He/she will ask a student to answer a question and then ask another student to indicate whether or not the first student was correct or whether something should be added to the answer. The second student may then add to the first student's original answer. The instructor will continue in this manner until the question has been sufficiently answered. If time does not permit an interactive review of the material, you should answer these questions in your own free time to prepare for the end of course exam.

CASE STUDY 5-1
SEALED BIDDING-SIMULATION EXERCISE
INSTRUCTIONS FOR STUDENTS

**Overview
and
Duration of
Practical
Exercise**

- Phase One: Preparation of Bids. Each group of students represents a contractor involved in preparing a bid.
- Phase Two: Bid Opening. The Bid Opening Officer will be in charge of the class during this phase.
- Phase Three: All students will be required to perform evaluation of bid factors to identify the low bidder. Questions regarding the responsiveness of the bidders will be asked by a three-member student panel.

**Phase One -
Bid
Preparation**

The purpose of the bid preparation phase is to orient the students to an actual IFB and to illustrate how certain contract clauses and solicitation provisions are used and what section of the IFB they go in.

The instructor will divide the class into 10 groups and 1 student who will represent the late bidder. Each group will represent a company bidding on IFB DABT59-8X-B-0001. Each group has received a packet containing these instructions and the following:

- One copy of the IFB
- One brown envelope
- One copy of the Bid Preparation Instructions pertinent to the company the group represents.

The bid preparation instructions provided in the IFB must be followed exactly. The purpose is to structure a situation for the bid opening and evaluation. Predetermined mistakes or problems will come to light during the bid opening and bid evaluation phases of the exercise. Therefore, in order to have the exercise turn out properly, it is important that the instructions be followed, with nothing left out or added in. Failure to follow the instructions properly will defeat the purpose of the entire exercise, since the completed bids are in essence the script that will be followed.

LESSON 5

Note in particular, **paragraph 5** of your group's bid preparation instructions. These notes call for certain comments or responses from various company representatives during the bid opening. It is essential, in order to create the proper atmosphere for the bid evaluation, that these comments be made.

Once the bid has been completed, the group leader (chosen by the group), shall place one copy of the bid in the brown envelope. Address the envelope as specified in the IFB. Mark the envelope with the IFB number (DABT59-8X-B-0001) and the name of the company. The group leader shall then securely seal the envelope. Submit the sealed bid to the instructor with the contractor group number on the outside of the envelope before the start of the classroom hour scheduled for bid opening.

The Instructor will pass out blank copies of SF 1409, Abstract of Offers, to all students. After completing the bid preparation, each student, other than the bid opening officer, will prepare the SF 1409, Abstract of Offers, for the bid opening. This will provide each student practice in filling out the SF 1409. Fill in the heading of the SF 1409 as follows:

- IFB Number — DABT59-8X-B-0001
- Issuing Office — Contracting Division
Army Depot
New Cumberland, PA 17070
- Articles or services — Grease, Aircraft, High Temperature, 465,120 lbs
- Opening Date — Use the time and date of the scheduled class hour.
- Fill out the headings of the 7th and 8th columns as follows:

Item No.	0001(A)	0001(B)
Quantity	200,000	265,120
Unit	lb	lb

Phase Two- Bid Opening

The purpose of the bid opening phase is to give the student simulated experience in conducting a bid opening. The previously appointed students will be the Bid Opening Officer and Recorder.

Each individual student will also record the bids as read, utilizing the SF 1409 prepared previously.

**Phase Three-
Bid
Evaluation**

The purpose of the bid evaluation phase is to reinforce what the students learned in the previous lessons. The Instructor will provide further information during various times in this course.

**CASE STUDY 5-2
LOST BID**

An IFB was issued on June 1, with the bid opening set for 1:00 PM EST July 2nd. Seven bids were received. On June 25, Contractor “A” modified its bid due to an error in the original bid. Contractor “A” mailed the bid correction on June 26 to the contracting activity which is about 50 miles from Contractor “A” place of business.

On July 2nd, “A” attended the bid opening, and when the bids were read its original bid was read, but not the modified bid. The bid box was checked, and also the mail room, but there was no record of receiving his modified bid.

The mail room told the bid opening official that mail had arrived late on July 1st, and was distributed early the following day to the branches. A policy of the contracting activity was not to open mail personally addressed, but time stamp the envelope and send it to the individuals’ contracting department. In this case, “A’s” letter was addressed to the contracting officer (by name) who was out sick and did not return until July 5th. When she opened here mail she found A’s modified bid would be \$8000 lower than the next lowest bid.

The contracting officer asked the mail room why they did not send the letter to the bid box. The mail room stated that other than “A’s” return address, there was no indication that bid information was contained in the envelope. They processed the mail to the Contracting Branch and time dated the envelope without opening it as was their standard policy.

Contractor “A” was called and told its modified bid was found. It replied, “Good. I am the winner as I am the lowest bidder—you obviously mishandled my mail and must make the award to me.”

QUESTION

Would you make the award to Contractor “A”? Why or Why not?

CASE STUDY 5-3
RESPONSIVE BIDDERS - SIMILUATION

BIDDER	RESPONSIVENESS Yes/No	WHY NOT
1. Tex-Good Co.	_____	_____ _____
2. Tru-Test	_____	_____ _____
3. ABC Co.	_____	_____ _____
4. Robert & Sons	_____	_____ _____
5. Butler Mfg. Co.	_____	_____ _____
6. CASCO, Inc.	_____	_____ _____
7. Lifetime	_____	_____ _____
8. ACE Oil & Grease	_____	_____ _____
9. Century	_____	_____ _____
10. Forever	_____	_____ _____

CASE STUDY 5-4 BID EVALUATION

Mr. Jonas Duke, a Contracting Officer working in an administrative office received a requirement to purchase 750 motors and 250 generators. These were standard commercial items, and the Government specifications were fixed and fully developed. After reviewing the Purchase Request, he asked Gordon Hawes, one of his contract specialists, to give him a brief review of the historical data of previous buys. Mr. Hawes' summary analysis showed the following:

	<u>Past Acquisition(#)</u>	<u>Sources(#)</u>	<u>Price Ranges</u>
Motors	8	14	\$52 - \$70
Generators	6	8	\$125 - \$148

Mr. Duke issued an IFB on January 2, 1990. FAR Clause 52.214-22 was included in the solicitation. In response to the solicitation, five companies competed for Item #1, Motors, and five companies for Item #2, Generators. The abstract of bids reflected the following:

	Item #1 Unit Price	Item #2 Unit Price	Remarks
Alert Company	\$62.00	\$142.00	
Claney, Inc.	\$57.00	\$136.25	
George & Co.	\$55.75	\$137.50	All or none
Joiner Company	\$56.00	\$138.00	2/10 Net 30
Crown Company	\$55.80	no bid	2/20 Net 30
Thompson Company	no bid	\$134.55	150 Generators Only

QUESTION

To whom should the award be made? Why? (for information purposes the following provisions are applicable to this solicitation)

52.214-22 Evaluation of Bids for Multiple Awards

In addition to other factors, bids will be evaluated on the basis of advantages and disadvantages to the Government that might result from making more than one award (multiple awards). It is assumed, for the purpose of evaluating bids, that \$500 would be the administrative cost to the Government for issuing and administering each contract awarded under this solicitation, and individual awards will be for the items or combinations of items that result in the lowest aggregate cost to the Government, including the assumed administrative costs.

52.214-10 Contract Award - Sealed Bidding

(a)The Government will evaluate bids in response to this solicitation without discussions and will award a contract to the responsible bidder whose bid, conforming to the solicitation, will be most advantageous to the Government considering only price and the price-related factors specified elsewhere in the solicitation.

(b)The Government may (1) reject any or all bids, (2) accept other than the lowest bid, and (3) waive informalities or minor irregularities in bids received.

(c)The Government may accept any item or group of items of a bid, unless the bidder qualifies the bid by specific limitations. Unless otherwise provided in the schedule, bids may be submitted for quantities less than those specified. The Government reserves the right to make an award on any item for a quantity less than the quantity offered, at the unit prices offered, unless the bidder specifies other wise in the bid.

(d)A written award or acceptance of a bid mailed or otherwise furnished to the successful bidder within the time for acceptance specified in the bid shall result in a binding contract without further action by either party.

**CASE STUDY 5-4b (OPTIONAL)
BID EVALUATION**

Using the following changes to Case Study 5-4, identify the lowest bidder:

1. Method of Award: Award shall be made in the aggregate.

2. Method of Award: Award shall be made in the aggregate and:

Alert is a small business in a labor surplus area
Claney is a small business in a non-labor surplus area
George & Co. is a large business in a labor surplus area
Joiner is a large business in a labor surplus area
Crown is a small business in a labor surplus area
Thompson is a small business in a non-labor surplus area

3. Method of Award: Award shall be made in the aggregate and:

Alert is a small business in a labor surplus area
Claney is offering products made entirely in Japan
George & Co. is offering products made entirely in Australia
Joiner is a large business in a non-labor surplus area
Crown is a small business in a labor surplus area
Thompson is a small business in a non-labor surplus area

4. Problem No. 3 above is changed:

Use 2500 generators and 1000 motors

INTERACTIVE REVIEW QUESTIONS

If time permits the instructor will conduct an interactive review of this lesson using the following questions. If there is not sufficient time, you should try to answer these questions at home to prepare yourself for the end of course exam.

1. List the steps to securing bids.

2. When and how are bids recorded at the bid opening?

3. Define the firm-bid rule.

4. What do you do with a bid that offers less than the minimum number of days?

5. List two exceptions to the sealed bidding policy of “late is late” concerning late bids.

6. What is meant by a nonresponsive bid? List two examples of nonresponsive bids.
7. List three price-related factors.
8. Define “all or none.” State the reasons for an “all or none” condition statement in a bid.

SOLICITATION, OFFER AND AWARD		1. This contract is a rated order under DPAS (15 CFR 360)		Rating DO-C9	Page of 1 24
2. Contract No.	3. Solicitation No. DABT59-8X-B-0001	4. Type of Solicitation <input type="checkbox"/> Sealed Bid (IFB) <input type="checkbox"/> Negotiated (RFP)	5. Date Issued 5/18/90	6. Requisition/Purchase No. 678	
7. Issued By Contracting Division Army Depot New Cumberland, PA 17070		8. Address Offer To (If other than Item 7) SAME			

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder"

SOLICITATION

9. Sealed offers in original and 0 copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if hand-carried, in the depository located in Bldg 1, Room 6 until _____ time _____ date.

CAUTION--LATE Submissions, Modifications, and Withdrawals: See Section L. Provision No. 52.214-7 or 52.215-10. All offers are subject to all terms and conditions contained in this solicitation.

10. For Information Call: **A. Name**
Robert E. Jones
B. Telephone No. (Area code) (NO COLLECT CALLS)
202-922-7771

11. Table of Contents

X	SEC.	DESCRIPTION	PAGE(S)	X	SEC.	DESCRIPTION	PAGE(S)
PART I - The Schedule				PART II - Contract Clauses			
X	A	Solicitation/Contract Form	1	X	I	Contract Clauses	7-9
X	B	Supplies or Services and Prices/Costs	1	PART III - List of Documents, Exhibits and other Attachments			
X	C	Desc./Specs/Work Statement	3		J	List of Attachments	
X	D	Packaging and Marking	3	PART IV - Representations and Instructions			
X	E	Inspection and Acceptance	3	X	K	Representations, Certifications and Other Statements of Offerors	9-18
X	F	Deliveries or Performance	4-6				
	G	Contract Administration Data		X	L	Instructions, Conditions, and Notices	18-23
	H	Special Contract Requirements		X	M	Evaluation Factors for Award	24

OFFER (Must be fully completed by offeror)

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16

12. In compliance with the above, the undersigned agrees, if this offer is accepted within _____ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. Discount for Prompt Payment (See Section I, Clause No. 52.232-8)	10 CalendarDays %	20 CalendarDays %	30 CalendarDays %	Calendar Days %
14. Acknowledgment of Amendments (The offeror acknowledges receipt of amendments to the Solicitation for offerors and related documents numbered and dated)	Amendment No.	Date	Amendment No.	Date
	Amendment No.	Date	Amendment No.	Date

15A. Name and Address of Offeror	Code <input type="text"/> Facility <input type="text"/>	16. Name and Title of Person Authorized to sign Offer (Type or Print)	
15B. Telephone No. (Include area code)	<input type="checkbox"/> 15C. Check if Remittance address is different from above. Enter such address in schedule.	17. Signature	18. Offer Date

AWARD (To be completed by Government)

19. Accepted as to items numbered	20. Amount	21. Accounting and Appropriation
22. Authority for using other than FAOC <input type="checkbox"/> 10 USC 2340(c) <input type="checkbox"/> 41 USC 253(c)	23. Submit invoices to address shown in (4 copies unless otherwise specified)	Item
24. Administered by (If other than Item 7) Code <input type="text"/>	25. Payment will be made by Code <input type="text"/>	
26. Name of Contracting Officer	27. United States of America (Signature of Contracting Officer)	28. Award Date

IMPORTANT -- Award will be made on this form, or on SF 26, or by other authorized official written notice.

NSN 7540-01-152-8064

Previous Edition Not Usable

33-132

Standard Form 33 (REV. 4-85)

Prescribed by GSA

FAR (48 CFR) 53.214(c)

¶

CONTINUATION SHEET	Reference No. of Document Being Continued DABT59-8X-B-0001	Page 2 of 24
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Name of Offeror or Contractor

ITEM NO.	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	NSN: 2900-01-543-7247 NOUN: Grease, Aircraft, High-Temp. IAW MIL-G-3545C(MR) dated 31Mar69. PRON: AA-3-35760-AA-AA-01 MIPR/CUST ORDER: N/A Packaging, Packing, and Marking: MIL-STD-290 Quantity variation: Over <u>none</u> Under <u>none</u> FOB: Origin Destination				
0001(A)	DOC NO: D56HV2-3234-0012 IPD: 8 Ship to: W25G1U Transportation Officer New Cumberland Army Depot New Cumberland, PA 17070 Mark for: W25G1U	200,000 FOB Origin	lb	\$ _____ \$ _____	\$ _____ \$ _____
0001(B)	DOC NO: D56HV2-3234-0013 IPD: 8 Ship to: W45G19 Transportation Officer Red River Army Depot Texarkana, TX 75501 Mark for: W45G19	265,120 FOB Origin	lb	\$ _____ \$ _____	\$ _____ \$ _____

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NSN 7540-01-152-8087

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50336-101

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Optional Form 336 (4-86)

Sponsored by GSA

FAR (48 CFR) 53.110

SECTION C

DESCRIPTION/SPEC/WORK STATEMENT

Items required herein shall be IAW MIL-G-3545C(MR) dtd 31 Mar 69

SECTION D

PACKAGING AND MARKING

Packaging, Packing and Marking shall be IAW MIL-STD-290-Packaging, Packing and Marking of Grease and related products.

SECTION E

INSPECTION AND ACCEPTANCE

The clauses are incorporated by reference.

1. 52.246-02 Inspection of Supplies-Fixed Price (July 1985)
2. 52.246-16 Responsibility for Supplies (April 1984)
3. 52.246-14 Inspection of Transportation (October 1976)

At the time of each delivery of supplies and services under this contract, the contractor shall prepare and furnish to the Government a Material Inspection and Receiving Report.

SECTION F
DELIVERIES OR PERFORMANCE

- | ITEM | FAR NUMBER | TITLE |
|-------------|--|-------------------------------|
| 1. | 52.212-1 | Time of Delivery (April 1984) |
| (a) | The Government requires delivery to be made according to the following schedule: | |

REQUIRED DELIVERY SCHEDULE

ITEM NO	QUANTITY (lbs)	WITHIN DAYS AFTER DATE OF CONTRACT
0001(A)	100,000	180
0001(A)	100,000	270
0001(B)	155,040	180
0001(B)	55,040	270
0001(B)	55,040	360

The Government will evaluate equally, as regards time of delivery, offers that propose delivery of each quantity within the applicable delivery period specified above. Offers that propose delivery that will not clearly fall within the applicable required delivery period specified above, will be considered nonresponsive and rejected. The Government reserves the right to award under either the required schedule or the proposed delivery schedule, when an offeror offers an earlier schedule than required above. If the offeror proposes no other delivery schedule, the required delivery schedule above will apply.

OFFEROR'S PROPOSED DELIVERY SCHEDULE

ITEM NO	QUANTITY	WITHIN DAYS AFTER DATE OF CONTRACT
_____	_____	_____
_____	_____	_____
_____	_____	_____

- (b) Attention is directed to the Contract Award provision of the solicitation that provides that a written award or acceptance of offer mailed, or otherwise furnished to the successful offeror, results in a binding contract. The Government will mail or otherwise furnish to the offeror an award or notice of award not later than the day award is dated. Therefore, the offeror should compute the time available for performance beginning with the actual date of award, rather than the date the written notice of award is received from the Contracting Officer through the ordinary mails. However, the Government will evaluate an offer that proposes delivery based on the Contractor's date of receipt of the contract or notice of award by adding five days for delivery of the award through the ordinary mails. If, as so computed, the offered delivery date is later than the required delivery date, the offer will be considered nonresponsive and rejected.

2. Shipping Addresses
See OF 336

3. 52.247-60
Guaranteed Maximum
Shipping Weights and
Dimensions Alternate I
(April 1984)

- (a) Each offer will be evaluated to the destination specified by adding to the f.o.b. origin price all transportation costs to said destination. The guaranteed maximum shipping weights and dimensions of the supplies are required for determination of transportation costs. The offeror is requested to state weights and dimensions as part of the offer. If separate containers are to be banded and/or skidded into a single unit, details must be described. If delivered supplies exceed the guaranteed maximum shipping weights or dimensions, the contract price shall be reduced by an amount equal to the difference between the transportation costs computed for evaluation purposes based on offeror's guaranteed maximum shipping weights or dimensions and the transportation costs that should have been used for offer evaluation purposes based on correct shipping data.

- (b) If the offeror fails to state guarantee maximum shipping weights and dimensions for the supplies as requested, the Government will use the estimated weights and dimensions, below, for evaluation, and the Contractor agrees this will be the basis for any reduction in contract prices in this clause. The Government's estimated weights (and dimensions, if applicable) are as follows: 25lb containers - total max shipping weight 465,120 lbs.

4. 52.212-10 Delivery of Excess Quantities of \$100 or Less (April 84)
5. 52.247-29 F.O.B. Origin (June 1988)
6. 52.247-34 F.O.B. Destination (April 1984)

SECTION G

CONTRACT ADMINISTRATION

Not applicable.

SECTION H

SPECIAL CONTRACT REQUIREMENTS

Not applicable.

PART II

SECTION I

CONTRACT CLAUSES

The following clauses are incorporated by reference. Upon request, the Contracting Officer will make the full text available.

1. 52.214-26 Audit-Sealed Bidding (April 1985)
2. 52.214-27 Price Reduction for Defective Cost or Pricing Data Modifications-Sealed Bidding (April 1985)
3. 52.214-28 Subcontractor Cost or Pricing Data Modifications-Sealed Bidding (April 1985)
4. 52.214-29 Order of Precedence — Sealed Bidding (January 1986)
5. 52.202-01 Definitions (April 1984)
6. 52.203-05 Covenant Against Contingent Fees (April 1984)
7. 52.203-07 Anti-Kickback Procedures (October 1988)
8. 52.243-01 Changes-Fixed-Price (August 1987)
9. 52.203-01 Officials Not to Benefit (April 1984)
10. 52.203-03 Gratuities (April 1984)
11. 52.210-05 New Material (April 1984)
12. 52.210-07 Used or Reconditioned Material, Residual Inventory, and Former Government Surplus Property (April 1984)
13. 52.219-08 Utilization of Small Business Concerns and Small Disadvantaged Business Concerns (June 1985)
14. 52.219-13 Utilization of Woman-Owned Small Business (August 1986)
15. 52.220-02 Notice of Total Surplus Area Set Aside (April 1984)
16. 52.220-03 Utilization of Labor Surplus Area Concerns (April 1984)
17. 52.220-04 Labor Surplus Area Subcontracting Program (April 1984)

18. 52.222-04 Contract Work Hours and Safety Standards Act-Overtime Compensation General (March 1986)
19. 52.222-20 Walsh-Healey Public Contracts Act (April 1984)
20. 52.222-26 Equal Opportunity (April 1984)
21. 52.222-28 Equal Opportunity Preaward Clearance of Subcontracts (April 1984)
22. 52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans (April 1984)
23. 52.222-36 Affirmative Action for Handicapped Workers (April 1984)
24. 52.223-02 Clean Air and Water (April 1984)
25. 52.225-03 Buy American Act-Supplies (April 1984)
26. 52.225-09 Buy American Act-Trade Agreement Act-Balance of Payments Program (May 1986)
27. 52.229.03 Federal, State, and Local Taxes (April 1984)
28. 52.232-01 Payments (April 1984)
29. 52.232-09 Limitation on Withholding of Payments (April 1984)
30. 52.232-11 Extras (April 1984)
31. 52.232-16 Progress Payments (August 1987)
32. 52.232-17 Interest (April 1984)
33. 52.232-23 Assignment of Claims (January 1986)
34. 52.233-01 Disputes (April 1984)
35. 52.233-03 Protest After Award (June 1985)
36. 52.242-12 Report of Shipment (REPSHIP) (April 1984)
37. 52.244-01 Subcontracts Under Fixed Price Contracts (January 1986)
38. 52.248-01 Value Engineering (April 1984)

- 39. 52.249-02 Termination of Convenience of the Government (Fixed-Price) (April 1984)
- 40. 52.249-08 Default (Fixed-Price Supply and Service) (April 1984)
- 41. 52.232-08 Discounts for Prompt Payment (July 1985)
- 42. 52.252-04 Alterations in Contract (April 1984)
- 43. 52.209-02 Qualified Products Components of End Items (July 1985)

PART III

SECTION J

DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS

None.

PART IV

SECTION K

REPRESENTATIONS, CERTIFICATES, AND OTHER STATEMENTS OF BIDDERS

- 1. 52.214-02 TYPES OF BUSINESS ORGANIZATION — SEALED BIDDING
(July 1987)

The bidder, by checking the applicable box, represents that it operates as // a corporation incorporated under the laws of the state of., // an individual, // a partnership, // a nonprofit organization, or // a joint venture.

- 2. 52.214-14 PLACE OF PERFORMANCE — SEALED BIDDING (April 1984)

(a) The bidder, in the performance of a contract resulting from this solicitation, // intends, // does not intend (check applicable box) to use one or more plants or facilities located at a different address from the address of the bidder as indicated in this bid.

(b) If the bidder checks “intends” in paragraph (a) above, it shall insert in the spaces provided below the required information:

Place of Performance
(Street Address, City
County, State, ZIP)

Name and Address of Owner
and Operator of the Plant or
Facility if Other than Bidder

3. 52.214-16 MINIMUM BID ACCEPTANCE PERIOD (April 1984)

- (a) "Acceptance period," as used in this provision, means the number of calendar days available to the Government for awarding a contract from the date specified in this solicitation for receipt of bids.
- (b) This provision supersedes any language pertaining to the acceptance period that may appear elsewhere in this solicitation.
- (c) The Government requires a minimum acceptance period of 60 calendar days.
- (d) In the space provided immediately below, bidders may specify a longer acceptance period than the Government's minimum requirement.

The bidder allows the following acceptance period: calendar days.

- (e) A bid allowing less than the Government's minimum acceptance period will be rejected.
- (f) The bidder agrees to execute all that it has undertaken to do, in compliance with its bid, if that bid is accepted in writing within (1) the acceptance period stated in paragraph (c) above or (2) any longer acceptance period stated in paragraph (d) above.

4. 52.203-02 CERTIFICATE OF INDEPENDENT PRICE DETERMINATION
(April 1985)

(a) The offeror certifies that -

- (1) The prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to (i) those prices, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the prices offered;
- (2) The prices in this offer have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and
- (3) No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose or restricting competition.

(b) Each signature on the offer is considered to be a certification by the signatory that the signatory —

- (1) Is the person in the offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or
- (2)
 - (i) Has been authorized, in writing, to act as agent for the following principles in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above. (insert full name or person(s) in the offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the offeror's organization);
 - (ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above, and
 - (iii) As an agent, has not personally participated, and will not participate, in any action contrary to subparagraph (a)(1) through (a)(3) above

- (c) If the offeror deletes or modifies subparagraph (a)(2) above, the offeror must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure.

5. 52.203-04 CONTINGENT FEE REPRESENTATION AND AGREEMENT
(April 1984)

- (a) Representation. The offeror represents that, except for full-time bona fide employees working solely for the offeror, the offeror-

(Note: The offeror must check the appropriate boxes. For interpretation of the representation, including the term “bona fide employee,” see Subpart 3.4 of the Federal Acquisition Regulation.)

- (1) // has, // has not employed or retained any person or company to solicit or obtain this contract; and
- (2) // has, // has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

- (b) Agreement. The offeror agrees to provide information relating to the above Representation as requested by the Contracting Officer and, when subparagraph (a)(1) or a (a)(2) is answered affirmatively, to promptly submit to the Contracting Officer-

- (1) A completed Standard Form 119, Statement of Contingent or Other Fees (SF 119 or
- (2) A signed statement indicating that the SF 119 was previously submitted to the same contracting office, including the date and applicable solicitation or contract number, and representing that the prior SF 119 applies to this offer or quotation.

6. 52.214-08 PARENT COMPANY AND IDENTIFYING DATA (April 1984)

- (a) A “parent” company, for the purpose of the provision, is one that owns or controls the activities and basic business policies of the bidder. To own the bidding company means that the parent company must own more than 50 percent of the voting rights in that company. A company may control a bidder as a parent even though not meeting the requirement for such ownership if the parent company is able to formulate, determine, or veto basic policy decisions of the offeror through the use of dominate minority voting rights, use of proxy voting, or otherwise.

- (b) The bidder // is, // is not (check applicable box) owned or controlled by a parent company.
- (c) If the bidder checked “is” in paragraph (b) above, it shall provide the following information:

Name and Main Office
Address of Parent
Company (include ZIP)

Parent Company’s
Employer’s
Identification Number

- (d) If the bidder checked “is not” in paragraph (b) above, it shall insert its own Employer’s Identification Number on the following line. . . .

7. 52.219-01 SMALL BUSINESS CONCERN REPRESENTATION (May 1986)

The offeror represents and certifies as part of its offer that it // is, // is not a small business concern and the // all, // not all supplies to be furnished will be manufactured or produced by a smallbusiness concern in the United States, it possessions, or Puerto Rico. “Small business concern,” as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a Small Business under the size standards in this solicitation.

8. 52.219-02 SMALL BUSINESS DISADVANTAGED CONCERN REPRESENTATION (April 1984)

- (a) Representation. The offeror represents that is // is, // is not a small disadvantaged business concern.

- (b) Definitions.

“Asian-Indian American,” used in this provision, means a United States citizen whose origins are in India, Pakistan, or Bangladesh. “Asian-Pacific American,” as used in this provision, means a United States citizen whose origins are in Japan, China, thePhilippines, Vietnam, Korea, Samoa, Guam, the US Trust Territory of the Pacific Islands, the Northern Marina Islands, Laos, Cambodia, or Taiwan.

“Native Americans,” as used in this provision, means American Indians, Eskimos, Aleuts, and native Hawaiians.

“Small business concern” as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria and size standards in 123 CFR 121. “Small disadvantaged business concern,” as used in this provision, means a small business concern that (1) is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged, or a publicly owned business having at least 51 percent of its stock owned by one or more socially and economically disadvantaged individuals and (2) has its management and daily business controlled by one or more such individuals.

- (c) Qualified groups. The offeror shall presume that socially and economically disadvantaged individuals include Black Americans, Hispanic Americans, Native Americans, Asian-Indian Americans, and other individuals found to be qualified by the SBA under 13 CFR 124.1.

9. 52.219-03 WOMEN-OWNED SMALL BUSINESS REPRESENTATION (April 1984)

- (a) Representation. The offeror represents that it is // is, // is not a women-owned small business concern.
- (b) Definitions.

“Small business concern,” as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominate in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria and size standards in 13 CFR 121.

“Women-owned,” as used in this provision, means a small business that is at least 51 percent owned by a woman or women who are US citizens and who also control and operate the business.

10. 52.222-19 WALSH-HEALEY PUBLIC CONTRACTS ACT REPRESENTATION (April 1984)

The offeror represents as a part of this offer that the offeror is // or is not // a regular dealer in, or is // it is not // a manufacturer of, the supplies offered.

11. 52.222-21 CERTIFICATION OF NONSEGREGATED FACILITIES (April 1984)

- (a) “Segregated facilities,” as used in this provision, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms, and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin because of habit, local custom, or otherwise.
- (b) By the submission of this offer, the offeror certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The offeror agrees that a breach of this certification is a violation of the Equal Opportunity clause in the contract.
- (c) The offeror further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will-
 - (1) Obtain identical certifications from proposed subcontractors before the award of subcontracts under which the subcontractor will be subject to the Equal Opportunity clause;
 - (2) Retain the certifications in the files; and
 - (3) Forward the following notice to the proposed subcontractors (except if the proposed subcontractors have submitted identical certification for specific time periods)”:

**NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT
FOR CERTIFICATION OF NONSEGREGATED FACILITIES.**

A Certificate of Nonsegregated Facilities must be submitted before the award of a subcontract under which the subcontractor will be subject to the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually). NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

12. 52.222-22 PREVIOUS CONTRACTS AND COMPLIANCE REPORTS (April 1984)

The offeror represents that -

- (a) It // has, // has not participated in a previous contract or subcontract subject either to the Equal Opportunity clause of this solicitation, the clause originally contained in Section 310 of Executive Order No. 110925, or the clause contained in Section 201 of Executive Order No. 11114;
- (b) It // has, // has not, filed all required compliance reports; and
- (c) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

13. 52.222-25 AFFIRMATIVE ACTION COMPLIANCE (April 1984)

The offeror represents that (a) it // has developed and has on file, // has not developed and does not have on file, at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (b) it // has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

14. 52.223-01 CLEAN AIR AND WATER CERTIFICATION (April 1984)

The offeror certifies that -

- (a) Any facility to be used in the performance of this proposed contract is //, is not // listed on the Environmental Protection Agency List of Violating Facilities;
- (b) The offeror will immediately notify the Contracting Officer before award, of the receipt of any communication from the Administrator, or a designed, of the Environmental Protection Agency, indicating that any facility that the offeror proposes to sue for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities; and
- (c) The offeror will include a certification substantially the same as this certification, including this paragraph (c), in every nonexempt subcontract.

15. 52.225-01 BUY AMERICAN CERTIFICATE (April 1984)

The offeror certifies that each end product, except those listed below, is a domestic and product (as defined in the clause entitled “Buy American Act—Supplies”), and that components of unknown origin are considered to have been mined, produced, or manufactured outside the United States.

<u>Excluded End Products</u>	<u>Country of Origin</u>
_____	_____
_____	_____

(List as necessary)

Offerors may obtain from the contracting officer lists of articles, materials, and supplies excepted from the Buy American Act (listed at 25.108 of the Federal Acquisition Regulation).

16. 52.225-8 BUY AMERICAN ACT — TRADE AGREEMENTS ACT — BALANCE OF PAYMENTS PROGRAM CERTIFICATE (May 1986)

(a) The offeror hereby certifies that each end product, except those listed in paragraph (b) below, is a domestic end product (as defined in the clause entitled “Buy American Act—Trade Agreements Act—Balance of Payments Program”) and that components of unknown origin have been considered to have been mined, produced, or manufactured outside the United States or a designated country as defined in section 25.401 of the Federal Acquisition Regulation.

(b) Excluded End Products:

<u>Line Item Number</u>	<u>Country of Origin</u>
_____	_____
_____	_____
_____	_____

(List as necessary)

- (c) Offers will be evaluated by giving certain preferences to domestic end products and designated country end products over other end products. In order to obtain these preferences in the evaluation of each excluded end product, offerors must identify and certify below those excluded end products that are designated country end products. Offerors must certify by inserting the applicable line item numbers in the following:

The offeror certifies that the following supplies qualify as “designated country end products” as that term is defined in the clause entitled “Buy American Act—Trade Agreements Act—Balance of Payments Program”:

(Insert line item numbers)

- (d) Offers will be evaluated in accordance with Part 25 of the Federal Acquisition Regulation.

SECTION L

INSTRUCTIONS, CONDITIONS AND NOTICES TO BIDDERS

1. 52.214-01 SOLICITATION DEFINITIONS—SEALED BIDDING (July 1987)

“Government” means United States Government

“Offer” means “bid” in sealed bidding

“Solicitation” means an invitation for bids in sealed bidding

2. 52.214-03 AMENDMENTS TO INVITATIONS FOR BIDS (November 1988)

Bidders shall acknowledge receipt of any amendment to this solicitation (a) by signing and returning the amendments, (b) by identifying the amendment number and date in the space provided for this purpose on the form for submitting a bid, or (c) by letter or telegram. The Government must receive the acknowledgement by the time and at the place specified for receipt of bids.

3. 52.214-04 FALSE STATEMENTS IN BIDS (April 1984)

Bidders must provide full, accurate, and complete information as required by this solicitation and its attachments. The penalty for making false statements in bids is prescribed in 18 U.S.C. 1001.

4. 52.214-05 SUBMISSION OF BIDS (April 1984)

- (a) Bids and bid modifications shall be submitted in sealed envelopes or packages (1) addressed to the office specified in the solicitation and (2) showing the time specified for receipt, the solicitation number, and the name and address of the bidder.
- (b) Telegraphic bids will not be considered unless authorized by the solicitation; however, bids may be modified or withdrawn by written or telegraphic notice, if such notice is received by the time specified for receipt of bids.

5. 52.214-06 EXPLANATION TO PROSPECTIVE BIDDERS (April 1984)

Any prospective bidder desiring an explanation or interpretation of the solicitation, drawings, specifications, etc., must request it in writing soon enough to allow a reply to reach all prospective bidders before the submission of their bids. Oral explanations or instructions given before the award of a contract will not be binding. Any information given a prospective bidder concerning a solicitation will be furnished promptly to all other prospective bidders as an amendment to the solicitation, if that information is necessary in submitting bids or if the lack of it would be prejudicial to other prospective bidders.

6. 52.214-07 LATE SUBMISSIONS, MODIFICATIONS, AND WITHDRAWALS OF BIDS (April 1984)

- (a) Any bid received at the office designated in the solicitation after the exact time specified for receipt will not be considered unless it is received before award is made and it-
 - (1) Was sent by registered or certified mail not later than the fifth calendar day before the date specified for receipt of bids (e.g., a bid submitted in response to a solicitation requiring receipt of bids by the 20th of the month must have been mailed by the 15th); or
 - (2) Was sent by mail (or was a telegraphic bid if authorized), and it is determined by the Government that the late receipt was due solely to mishandling by the Government after receipt at the Government installation.
- (b) Any modification or withdrawal of a bid is subject to the same conditions as in paragraph (a) above.

- (c) The only acceptable evidence to establish the date of mailing of a late bid, modification, or withdrawal sent either by registered or certified mail is the US or Canadian Postal Service postmark on the wrapper or on the original receipt from the US or Canadian Postal Service. If neither postmark shows a legible date, the bid, modification, or withdrawal shall be processed as if mailed late. “Postmark” means a printed, stamped, or otherwise placed impression (exclusion) of a postage meter machine impression that is readily identifiable without further action as having been supplied and affixed by employees of the US or Canadian Postal Service on the date of mailing. Therefore, bidders should request the postal clerks to place a hand cancellation bull’s-eye postmark on both the receipt and the envelope or wrapper.

7. 52.214-09 FAILURE TO SUBMIT BID (April 1984)

Recipients of this solicitation not responding with a bid should not return this solicitation, unless it specifies otherwise. Instead, they should advise the issuing office by letter or postcard whether they want to receive future solicitations for similar requirements. If a recipient does not submit a bid and does not notify the issuing office that future solicitations are desired, the recipient’s name may be removed from the applicable mailing list.

8. 52.214-10 CONTRACT AWARD—SEALED BIDDING (April 1985)

- (a) The Government will evaluate bids in response to this solicitation without discussions and will award a contract to the responsible bidder whose bid, conforming to the solicitation, will be most advantageous to the Government considering only price and the price-related factors specified elsewhere in this solicitation considered.
- (b) The Government may (1) reject any or all bids, (2) accept other than the lowest bid, and (3) waive informalities or minor irregularities in bids received.
- (c) The Government may accept any item or group of items of a bid, unless the bidder qualifies the bid by specific limitations. Unless otherwise provided in the Schedule, bids may be submitted for quantities less than those specified. The Government reserves the right to make an award on any item for a quantity less than the quantity offered, at the unit prices offered, unless the bidder specifies otherwise in the bid.
- (d) A written award or acceptance of a bid mailed or otherwise furnished to the successful bidder within the time for acceptance specified in the bid shall result in a binding contract without further action by either party.

9. 52.214-12 PREPARATION OF BIDS (April 1984)

- (a) Bidders are expected to examine the drawings, specifications, Schedule, and all instructions. Failure to do so will be at the bidder's risk.
- (b) Each bidder shall furnish the information required by the solicitation. The bidder shall sign the bid and print or type its name on the Schedule and each continuation sheet on which it makes an entry. Erasures or other changes must be initialed by the person signing the bid. Bids signed by an agent shall be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the issuing office.
- (c) For each item offered, bidders shall (1) show the unit price, including, unless otherwise specified, packaging, packing, and preservation and (2) enter the extended price for the quantity of each item offered in the "Amount" column of the Schedule. In case of discrepancy between a unit price and an extended price, the unit price will be presumed to be correct, subject, however, to correction to the same extent and in the same manner as any other mistake.
- (d) Bids for supplies or services other than those specified will not be considered unless authorized by the solicitation.
- (e) Bidders must state a definite time for delivery of supplies or for performance of services, unless otherwise specified in the solicitation.
- (f) Time, if stated as number of days, will include Saturdays, Sundays, and holidays.

10. 52.212-07 NOTICE OF PRIORITY RATING FOR NATIONAL DEFENSE USE
(May 1986)

Any contract awarded as a result of this solicitation will be a ___ DX rated order; ___ DO rated order certified for national defense use under the Defense Priorities and Allocations System (DPAS) (15 CFR 350), and the Contractor will be required to follow all of the requirements of this regulation. [Contracting Officer check appropriate box.]

11. 52.232-14 NOTICE OF AVAILABILITY OF PROGRESS PAYMENTS
EXCLUSIVELY FOR SMALL BUSINESS CONCERNS (April 1984)

The Progress Payments clause will be available only to small business concerns. Any bid conditioned upon inclusion of a progress payment clause in the resulting contract will be rejected as nonresponsive if the bidder is not a small business concern.

12. 52.222-24 PREAWARD ON-SITE EQUAL OPPORTUNITY COMPLIANCE
REVIEW (April 1984)

An award in the amount of \$1 million or more will not be made under this solicitation unless the offeror and each of its known first-tier subcontractors (to whom it intends to award a subcontract of \$1 million or more) are found, on the basis of a compliance review, to be able to comply with the provisions of the Equal Opportunity clause of this solicitation.

13. 52.214-17 AFFILIATED BIDDERS (April 1984)

- (a) Business concerns are affiliates of each other when, either directly or indirectly, (1) one concern controls or has the power to control the other, or (2) a third party controls or has the power to control both.
- (b) Each bidder shall submit with its bid an affidavit stating that it has no affiliates, or containing the following information:
 - (1) The names and addresses of all affiliates of the bidder.
 - (2) The names and addresses of all persons and concerns exercising control or ownership of the bidder and any or all of its affiliates, and whether they exercise such control or ownership as common officers, directors, stockholders holding controlling interest, or otherwise.

14. 52.210-02 AVAILABILITY OF SPECIFICATIONS LISTED IN THE DOD INDEX
OF SPECIFICATIONS AND STANDARDS (DODISS) (April 84)

Single copies of specifications cited in this solicitation may be obtained by submitting a written request to the supply point listed below. The request must contain the title of the specification, its number, date, applicable amendment(s), and the solicitation or contract number. In case of urgency, telephone or telegraphic requests are acceptable. Voluntary standards, which are not available to offerors and contractors from Government sources, may be obtained from the organization responsible for their preparation, maintenance, or publication.

Commanding Officer
US Naval Publication and Forms Center
5801 Tabor Avenue
Philadelphia, PA 19120

Telex Number 834295
Western Union Number. . . . 710-670-1685
Telephone Number. (215) 697-3321

15. 52.247-45 F.O.B. ORIGIN AND/OR F.O.B. DESTINATION EVALUATION
(April 1984)

Offers are invited on the basis of both f.o.b. origin and f.o.b. destination, and the Government will award on the basis the Contracting Officer determines to be most advantageous to the Government. An offer on the basis of f.o.b. origin only or f.o.b. destination only is acceptable, but will be evaluated only on the basis submitted.

16. 52.247-46 SHIPPING POINT(S) USED IN EVALUATION OF F.O.B. ORIGIN
OFFERS (April 1984)

- (a) If more than one shipping point or plant is designated by the offeror and the offeror fails to indicate the quantity per shipping point or plant before bid opening, the Government will evaluate the offer on the basis of delivery of the entire quantity from the point or plant where cost of transportation is most favorable to the Government.
- (b) If the offeror, bid opening (or the closing date specified for receipt of offers) fails to indicate any shipping point or plant, the Government will evaluate the offer on the basis of delivery from the plant at which the contract will be performed, as indicated in the offer. If no plant is indicated in the offer, the offer will be evaluated on the basis of delivery from the Contractor's business address indicated in the offer.
- (c) If the offeror uses a shipping point other than that which has been used by the Government as a basis for the evaluation of offers, any increase of transportation costs shall be borne by the Contractor and any saving shall revert to the Government.

17. 52.233-02 SERVICE OF PROTEST (November 1988)

- (a) Protest, as defined in Section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the GAO or the GSBCA, shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgement of receipt from the Contracting Officer,
Contracting Division, Army Depot, New Cumberland, PA 17070.
- (b) The copy of any protest shall be received in the office designated above on the same day a protest is filed with the GSBCA or within one day of filing a protest with the GAO.

SECTION M

EVALUATION FACTORS FOR AWARD

1. 52.247-47 EVALUATION—F.O.B. ORIGIN (April 1984)

Land methods of transportation by regulated common carrier are the normal means of transportation used by the Government for shipment within the United States (excluding Alaska and Hawaii). Accordingly, for the purpose of evaluating offers, only these methods will be considered in establishing the cost of transportation between offeror's shipping point and destination (tentative or firm, whichever is applicable) in the United States (excluding Alaska and Hawaii). This transportation cost will be added to the offer price in determining the overall cost of the supplies to the Government. When tentative destinations are indicated, they will be used only for evaluation purposes, the Government having the right to use any other means of transportation or any other destination at the time of shipment.

2. 52.214-22 EVALUATION OF BIDS FOR MULTIPLE AWARDS (April 1984)

In addition to other factors, bids will be evaluated on the basis of advantages and disadvantages to the Government that might result from making more than one award (multiple awards). It is assumed, for the purpose of evaluating bids, that \$500 would be the administrative cost to the Government for issuing and administering each contract awarded under this solicitation, and individual awards will be for the items or combinations of items that result in the lowest aggregate cost to the Government, including the assumed administrative costs.

3. 52.232-08 DISCOUNTS FOR PROMPT PAYMENT (July 1985)

- (a) Prompt payment discounts will not be considered in the evaluation of offers. However any offered discount will form a part of the award; and will be taken if payment is made within the discount period, indicated in the offer by the offeror. As an alternative of offering a prompt payment discount in conjunction with the offer, offerors awarded contracts may include prompt payment discounts on individual invoices.
- (b) In connection with any discount offered for prompt payment, time shall be computed from (1) the date of completion of performance of the services or delivery of the supplies to the carrier if acceptance is at point of origin, or date of delivery of destination or port of embarkation if delivery and acceptance are at either of these points, or (2) the date of proper invoice or voucher is received in the office specified by the Government, if the latter is later than date of performance or delivery. For the purpose of computing the discount earned, payment shall be considered to have been made on the date which appears on the payment check or the date on which a wire transfer was made.

LESSON 6

MISTAKE IN BIDS

Primary Learning Objective

Condition: Given solicitations, and offers or contracts containing suspected mistakes

Action: Identify and resolve any mistakes.

Standard: All bids or proposals selected for award are free of substantial mistakes that would:

- Diminish the Government's power of acceptance or ability to enforce contract, or
- Prejudice the rights of offerors whose bids are fully responsive.

In resolving mistakes, does not give the offeror "two bites at the apple."

Course Learning Objectives (CLO)

At the completion of this course the student will be able to:

- 6-1 Identify and resolve any mistakes in bids disclosed before award.
- Examine bids for mistakes.
 - Request verification of bids with suspected mistakes.
 - Instruct the bidder to allege mistake in writing and request withdrawal or modification of the bid, if the bidder alleges a mistake.
 - Determine whether there has in fact been a mistake.
 - Determine whether the intended price can be calculated from available evidence.
 - Prepare recommendation to the agency head or designee.

- 6-2 Identify and resolve any mistakes in bids disclosed after award.
- Recognize mutual mistakes on the face of the offer.
 - Modify the contract to correct mutual mistakes on the face of the offer that are in the Government's favor.
 - Request evidence of the mistake, if the contractor alleges a mistake.
 - Determine whether there has in fact been a mistake and if the CO should have been able to detect it.
 - Determine the corrected price, if a mistake is verified.

Estimated Time 3 hours

Method of Instruction Lecture/Discussion with viewgraphs as visuals
Interactive Viewgraphs
Student Exercise — Case Studies on Mistakes in Bids
Interactive Review Questions

Student Materials Text/Reference — Chapter Six
Classroom Materials — Lesson Six (Case Study)

Lesson Overview This lesson provides a detailed discussion on identifying and resolving mistakes in bids. Specific points of interest include:

- Identifying preaward mistakes in bids.
- Examples of clerical and other types of mistakes.
- Requesting verification of mistakes in bids.
- Correcting clerical mistakes in bids.
- Examples of post-award mistakes in bids.
- Recinding and reforming contracts.
- Preparing and documenting the case file.

LESSON 6

This lesson will be presented by the instructor in a lecture/discussion format. The instructor will use numerous examples to enhance student participation and attentiveness.

There is one case study with four different situations involving mistakes in bids. The simulated exercise will be continued to cover mistakes.

There are several interactive learning review questions in this lesson. The instructor, if time permits, will conduct an interactive review using these questions. He/she will ask a student to answer a question and then ask another student to indicate whether or not the first student was correct or whether something should be added to the answer. The second student may then add to the first student's original answer. The instructor will continue in this manner until the question has been sufficiently answered. If time does not permit an interactive review of the material, you should answer these questions in your own free time to prepare for the end of course exam.

CASE STUDY 6-1 MISTAKES IN BIDS

The Casco Manufacturing Co. submitted a bid in response to a solicitation for 5,000 electrical units. Later, Casco received a firm quote from one of its vendor's which, had it been received earlier, would have affected the prices quoted in their bid.

QUESTIONS

Situation #1: The vendor quote had been received by Casco only hours before the bid opening. Could Casco change or withdraw its bid at the time of the bid opening.

Situation #2: The vendor's quote was considerably higher than Casco had anticipated. Casco now believes that it will lose money if it is awarded the contract at the price quoted in its bid. Can Casco correct or withdraw its bid after the bid opening?

Situation #3: The vendor's quote was lower than Casco had anticipated. If Casco, after the bid opening, could correct its bid, it would be the low bidder. Can Casco correct its bid, thereby making it more favorable to the Government?

Situation #4: Change the scenario: Assume that Casco simply alleged that it understated its labor costs due to an error in calculations and requests permission to withdraw its bid — which was the lowest bid received. What would you do?

INTERACTIVE REVIEW QUESTIONS

If time permits the instructor will conduct an interactive review of this lesson using the following questions. If there is not sufficient time, you should try to answer these questions at home to prepare yourself for the end of course exam.

1. Cite four examples of clerical mistakes in bids.
2. List four examples of other preaward mistakes that may have occurred when a bid is extremely low.
3. What are the steps of requesting a verification of bids with suspected mistakes?
4. If correcting the bid changes the relative standing of bidders, when would you be allowed to correct the mistake?
5. If a bidder alleges a mistake, what should you instruct the bidder to do?
6. When a mistake in the bid is not discovered until after award, when may it be corrected by a contract modification?

HARD COPIES OF VIEWGRAPHS

Following this page is a copy of all the viewgraphs used in Lesson 6.

LESSON 7

RESPONSIBILITY

Primary Learning Objective

- Condition: Given an IFB, several bids, and the List of Parties Excluded from Federal Procurement and Nonprocurement Programs
- Action: Determine and document responsibility or nonresponsibility of the low, responsive bidder.
- Standard: Awards contracts only to those firms which are reasonably certain of being capable of effective performance in compliance with all terms and conditions of the contract.

Course Learning Objectives (CLO)

At the completion of this course the student will be able to:

- 7-1 Review the Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs to determine that the contractor (either by corporate name or names of principal officers) is not debarred, suspended, or otherwise ineligible for the contract.
- 7-2 Identify data that bear on the issue of responsibility.
- 7-3 Apply General and Special Standards for responsibility to assembled data.
- 7-4 Determine whether to request a preaward survey.
 - Prepare and forward request for preaward survey.
 - Review finished survey report to identify any omissions or deficiencies and follow-up questions for survey team members.
- 7-5 Describe the procedures used for dealing with nonresponsibility cases involving small business concerns.
- 7-6 Describe the procedure for obtaining preaward EEO clearance from the Department of Labor for contracts and subcontracts of \$1 million or more.

Estimated Time	3 hours
Method of Instruction	Lecture/Discussion with viewgraphs as visuals. Worksheet on the SF 1403 Interactive viewgraphs Student Exercise — Several GAO decisions used to illustrate a contractor's responsibility. Interactive Review Questions
Student Materials	Text/Reference — Chapter Seven Course Materials — Lesson Seven (Worksheet and Case Studies)
Lesson Seven Overview	<p>This lesson provides a detailed discussion on all aspects of determining whether a prospective contractor is responsible to perform the contract. Specific points of interest include:</p> <ul style="list-style-type: none">• The Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs.• Identifying data that bear on the issue of responsibility including various sources of data.• General and special standards of responsibility; especially the standard for qualified and eligible bidders and the Walsh-Healey Public Contracts Act.• Requesting a preaward survey.• Preparing a preaward survey request.• Determining the responsibility of small business concerns.• Obtaining preaward EEO clearance from the Department of Labor on contracts worth over \$1 million.

LESSON 7

This lesson will be presented by the instructor in a lecture/discussion format. The instructor will use interactive viewgraphs, and numerous examples to enhance student participation and attentiveness.

There are case studies that serve as examples of decisions you will have to make regarding contractor responsibility.

There are several interactive learning review questions in this lesson. The instructor, if time permits, will conduct an interactive review using these questions. He/she will ask a student to answer a question and then ask another student to indicate whether or not the first student was correct or whether something should be added to the answer. The second student may then add to the first student's original answer. The instructor will continue in this manner until the question has been sufficiently answered. If time does not permit an interactive review of the material, you should answer these questions in your own free time to prepare you for the end of course exam.

CASE STUDY 7-2 YOU MAKE THE CALL

Background:

A solicitation was issued by the Department of the Army for Maintenance Repairs and Similar services on oil and coal boilers. The boiler services were urgently needed because of the onset of the winter heating season in Germany.

GMBH (A subsidiary of Pope, Inc.) submitted the lowest price.

A preaward survey of GMBH recommended no award for the following reasons:

- Limited financial resources
- No facilities and equipment
- No accounting system
- No quality assurance
- No labor resources
- No arrangements to acquire resources
- No past performance record

Based on the preaward survey the contracting officer found the firm to be **nonresponsible**.

Pope's Position:

On behalf of its Gernam subsidiary, Pope protests the C.O.'s determination for the following reasons:

- Pope had cabled GMBH that they were "willing and able" to stand behind GMBH
- The CO had a duty to discuss these matters with GMBH before he made a final determination
- Many of GMBH's deficiencies were simply due to the recent creation of the firm and at the time of the preaward survey it had::
 - not hired any workers
 - not established an accounting system and
 - extremely limited financial resources
- An existing workforce was not required by the solicitation
- GMBH advised the preaward survey technician that it would use the same accounting system as the parent company
- Pope furnished a letter from a New York bank extending a \$2 million line of credit to the parent company

QUESTIONS

- 1. Which general standard(s) did the contracting officer use as a basis for his determination?**
- 2. Can the parent company protest the responsibility determination of their subsidiary GMBH**
- 3. What types of supporting documents are necessary for the Government to determine responsibility on a newly created subsidiary?**
- 4. Should the CO consider evidence that an affiliated concern will guarantee a bidder's financial or performance capability before making a responsibility determination?**
- 5. Does the CO have a duty to independently gather additional information to resolve his/her doubts created by data already submitted?**
- 6. Does the absence of a past performance record automatically determine a firm to be nonresponsible?**

CASE 7-3 YOU MAKE THE CALL

S.A.F.E. submitted the lowest bid at \$8,648.92 to the U. S. Army for an intrusion detection system and its installation. That particular procuring activity had no experience contracting with S.A.F.E. The Contracting Officer requested information from the U.S. Army Contracting Agency-Europe and was advised:

- ¥ S.A.F.E. had been determined to be responsible under two recent procurement for smoke detectors. The determination was based on the fact that an experienced subcontractor would perform the required installation work.
- ¥ S.A.F.E. had satisfactorily performed six relatively small dollar value contracts for the installation of smoke detectors.
- ¥ Four S.A.F.E. contracts had been recently terminated for default because of that firm's refusal to follow the contracting officer's directions, and
- ¥ S.A.F.E. had encountered difficulty with the agency in performing two other contracts.
- ¥ From the best that it can determine, S.A.F.E.'s address was merely a mail drop with no employees and S.A.F.E. had no known plan or employees in Europe.
- ¥ It did not know whether S.A.F.E. had been awarded a contract for intrusion alarm systems within the past year.

nonresponsibility	▷
Determines that the firm is able to perform the contract in question (≤ \$500,000)	▷
Determines that the firm is able to perform the contract in question (> \$500,000)	▷

7-17a

DECISION TABLE—EEO CLEARANCES

IF:	THEN:
The Director of OFCCP has not made a final preaward clearance determination within 30 calendar days from submission of the clearance request.	▷

<p>The additional 15 calendar days expires</p> <p>and</p> <p>▷</p> <p>The Director has neither found the contractor to be in compliance nor made a final written determination declaring the contractor ineligible for reasons of non-compliance.</p>	
<p>▷</p> <p>The above procedures would delay award of an urgent contract beyond the time necessary to make award or beyond the time specified in the bid or extension thereof.</p>	
<p>▷</p> <p>The OFCCP regional office advises that a preaward review cannot be completed by the required date.</p>	

**SF 1403 PREAWARD SURVEYS GO
HERE**

PREAWARD SURVEY OF PROSPECTIVE CONTRACTOR (GENERAL)		1.Serial No. (For surveying activity use)		FORM APPROVED OBM NO: 3090-0110	
SECTION I - REQUEST (For Completion by Contracting Office)					
2. NAME AND ADDRESS OF SURVEYING ACTIVITY QUALITY ASSURANCE BRANCH ARMY DEPOT NEW CUMBERLAND, PA		3. SOLICITATION NO. DAB-T59-8X-B001		4.TOTAL OFFERED PRICE: \$1,300,057.60	
6A. NAME AND ADDRESS OF SECONDARY SURVEYING ACT. (for surveying activity only) CREDIT & FINANCE DIVISION ARMY DEPT NEW CUMBERLAND, PA		5. TYPE OF CONTRACT FIRM FIXED PRICE, DEFINITE QUANTITY			
6B. TELEPHONE NO. (Include Wats/FTS if available)		7. NAME AND ADDRESS PROSPECTIVE CONTRACTOR TRUTEST OIL COMPANY 23 EAST WHIPPLE STREET NEW YORK, NY 10038			
8. Will Contracting Office Participate in Survey? <input type="checkbox"/> YES <input type="checkbox"/> NO		12. WALSH-HEALEY		A. IS NOT APPLICABLE	
9. DATE OF THIS REQUEST		10. DATE REPORT REQUIRED ASAP		B.Is applicable & prospective contractor represents his classification as: <input type="checkbox"/> MANUFACTURER <input type="checkbox"/> REGULAR DEALER <input type="checkbox"/> OTHER (specify)	
11. Prospective contractor represents that <input type="checkbox"/> IS <input type="checkbox"/> IS NOT A Small Business Concern		CONTRACTS ACT (Check applicable box (es))			
13. NAME AND ADDRESS OF PARENT COMPANY (if applicable) TEX OIL COMPANY 2525 BIG BEN DRIVE DALLAS, TEXAS 75555 E.I. # E2578312		14. PLANT AND LOCATION (if different from Item 7, above) SAME AS BLOCK 7			
15A. NAME OF REQUESTING ACTIVITY CONTRACTING OFFICER JOHN BLOOM		16A. NAME & ADDRESS OF SECONDARY REQUESTING ACTIVITY (For surveying authority use)			
15B. SIGNATURE JOHN BLOOM					
15C. TELEPHONE NO. (Include autovon, Wats/FTS, if available) (700)555-1212		16 B. TELEPHONE NO. (Include autovon, Wats/FTS, if available)			
17. FIRM'S CONTACT FOR SURVEY					
A. NAME AND TITLE JANE TILLMAN		B. TELEPHONE NO. (Include Area Code) (600)555-2323			

SECTION II -- DATA (For completion by Contracting Office)

18A ITEM NO.	18B. NATIONAL STOCK NO. (NEW) AND NOMENCLATURE		18C. TOTAL QUANTITY	18D. UNIT PRICE	18E. DELIVERY SCHEDULE				
					(a)	(b)	(c)	(d)	(e)
001A	AIRCRAFT GREASE	SOLICITED	200,000	ORIGIN/DEST.	SEE	SOL.			
		OFFERED	200,000	\$2.35 /2.47					
001B	AIRCRAFT GREASE	SOLICITED	265,120	ORIGIN/DEST.	SEE	SOL.			
		OFFERED	265,120	\$2.50/2.72					
		SOLICITED							
		OFFERED		\$					
		SOLICITED							
		OFFERED		\$					
		SOLICITED							
		OFFERED		\$					
		SOLICITED							
		OFFERED		\$					
		SOLICITED							
		OFFERED		\$					
		SOLICITED							
		OFFERED		\$					
		SOLICITED							
		OFFERED		\$					

NSN 7540-01-140-5525

1403-101

STANDARD FORM 1403 (10-83)
prescribed by GSA
FAR (48 CFR) 53-209-1(a)

SECTION III-- FACTORS TO BE INVESTIGATED

Column (a) is for request. Columns (b) and (c) are for survey results. Provide a narrative explanation substantiating each factor for which Column (b) or (c) is checked.

19. MAJOR FACTORS	CHK. (a)	SAT. (b)	UNSA T (c)	20. OTHER FACTORS Provide specific requirement in Remarks	CHK. (a)	SAT. (b)	UNSA T (c)
A. TECHNICAL CAPABILITY				A. GOVT. PROPERTY CONTROL			
B. PRODUCTION CAPABILITY	X			B. TRANSPORTATION	X		
C. QUALITY ASSURANCE CAPABILITY	X			C. PACKAGING	X		
D. FINANCIAL CAPABILITY	X			D. SECURITY			
E. ACCOUNTING SYSTEM				E. PLANT SAFETY			
21. IS THIS A SHORT FORM PREAWARD REPORT? <input type="checkbox"/> YES <input type="checkbox"/> NO				F. ENVIRONMENTAL /ENERGY CONS.			
				G. OTHER (SPECIFY)			
22. IS A FINANCIAL ASSISTANCE PAYMENT PROVISION IN THE SOLICITATION? <input type="checkbox"/> YES <input type="checkbox"/> NO							
23. Remarks							

1. Production Capability: TruTest is a large business handling over 2 million lbs. of aircraft grease per month. TruTest's suppliers are all manufacturers of products which meet the specifications. TruTest has current inventory sufficient to supply the entire quantity within a 10 day period. TruTest has written commitments from all four suppliers. TruTest does not handle small orders and generally is the supplier for over 50 airports including O'Hare in Chicago and Kennedy in New York.

2. Quality Assurance: TruTest maintains an excellent quality control program. All shipments are inspected by two officials. Records are well organized and maintained. A copy of all manufacturers testing and inspection records are provided to TruTest.

3. Transportation: TruTest has agreements with nine transportation companies. Their facility can handle over 50 tractor trailers per day.

4. Packing and Marking: TruTest has a sophisticated materiel handling system. Packing methods exceed the minimum acceptable requirement. Marking is no problem.

5. Financial survey: TruTest is a division of Tex Oil Company. Since separate figures were not releasable on Tex Oil, the legally liable entity, TruTest furnished a properly executed Corporate Guarantee. See attached.

SECTION IV -- SURVEYING ACTIVITY RECOMMENDATIONS

24. RECOMMEND <input type="checkbox"/> A. COMPLETE AWARD <input type="checkbox"/> B. PARTIAL AWARD (QUANTITY) <input type="checkbox"/> C. NO AWARD	25A. NAME AND TITEL OF SURVEY APPROVING OFFICIAL 25C. SIGNATURE	25B. TELEPHONE NO. 25D. DATE
--	--	---

STANDARD FORM 14032 BACK (10/83)

SECTION I - REQUEST (For Completion by Contracting Office)												
2. NAME AND ADDRESS OF SURVEYING ACTIVITY QUALITY ASSURANCE BRANCH ARMY DEPOT NEW CUMBERLAND, PA		3. SOLICITATION NO. DAB-T59-8X-B001		4.TOTAL OFFERED PRICE: \$1,182,800.00								
6A. NAME AND ADDRESS OF SECONDARY SURVEYING ACT. (for surveying activity only) CREDIT & FINANCE DIVISION ARMY DEPT NEW CUMBERLAND, PA		5. TYPE OF CONTRACT FIRM FIXED PRICE, DEFINITE QUANTITY										
		7. NAME AND ADDRESS PROSPECTIVE CONTRACTOR TEX GOOD COMPANY 1030 FAR HILLS TEXARKANA, ARKANSAS 74501										
6B. TELEPHONE NO. (Include Wats/FTS if available)		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; vertical-align: top; padding: 5px;"> 8. Will Contracting Office Participate in Survey? <input type="checkbox"/> YES <input type="checkbox"/> NO </td> <td style="width:50%; vertical-align: top; padding: 5px;"> 12. WALSH-HEALEY </td> </tr> <tr> <td style="vertical-align: top; padding: 5px;"> 9. DATE OF THIS REQUEST </td> <td style="vertical-align: top; padding: 5px;"> 10. DATE REPORT REQUIRED ASAP </td> </tr> <tr> <td colspan="2" style="vertical-align: top; padding: 5px;"> 11. Prospective contractor represents that <input type="checkbox"/> IS <input type="checkbox"/> IS NOT A Small Business Concern </td> </tr> <tr> <td colspan="2" style="vertical-align: top; padding: 5px;"> 13. NAME AND ADDRESS OF PARENT COMPANY (if applicable) NONE </td> </tr> </table>			8. Will Contracting Office Participate in Survey? <input type="checkbox"/> YES <input type="checkbox"/> NO	12. WALSH-HEALEY	9. DATE OF THIS REQUEST	10. DATE REPORT REQUIRED ASAP	11. Prospective contractor represents that <input type="checkbox"/> IS <input type="checkbox"/> IS NOT A Small Business Concern		13. NAME AND ADDRESS OF PARENT COMPANY (if applicable) NONE	
8. Will Contracting Office Participate in Survey? <input type="checkbox"/> YES <input type="checkbox"/> NO	12. WALSH-HEALEY											
9. DATE OF THIS REQUEST	10. DATE REPORT REQUIRED ASAP											
11. Prospective contractor represents that <input type="checkbox"/> IS <input type="checkbox"/> IS NOT A Small Business Concern												
13. NAME AND ADDRESS OF PARENT COMPANY (if applicable) NONE												
15A. NAME OF REQUESTING ACTIVITY CONTRACTING OFFICER JOHN BLOOM		16A. NAME & ADDRESS OF SECONDARY REQUESTING ACTIVITY (For surveying authority use)										
15B. SIGNATURE JOHN BLOOM												
15C. TELEPHONE NO. (Include autovon, Wats/FTS, if available) (700)555-1212												
16 B. TELEPHONE NO. (Include autovon, Wats/FTS, if available)		14. PLANT AND LOCATION (if different from Item 7, above) SAME AS BLOCK 7										
17. FIRM'S CONTACT FOR SURVEY												
A. NAME AND TITLE JANE TILLMAN		B. TELEPHONE NO. (Include Area Code) (600)555-2323										

SECTION II -- DATA (For completion by Contracting Office)									
18A ITEM NO.	18B. NATIONAL STOCK NO. (NEW) AND NOMENCLATURE		18C. TOTAL QUANTITY	18D. UNIT PRICE	18E. DELIVERY SCHEDULE				
					(a)	(b)	(c)	(d)	(e)
001A	AIRCRAFT GREASE	SOLICITED	200,000	ORIGIN/DEST.	SEE	SOL.			
		OFFERED	200,000	\$2.45 /2.60					
001B	AIRCRAFT GREASE	SOLICITED	265,120	ORIGIN/DEST.	SEE	SOL.			
		OFFERED	265,120	\$2.30/2.50					
		SOLICITED							
		OFFERED		\$					
		SOLICITED							
		OFFERED		\$					
		SOLICITED							
		OFFERED		\$					
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		OFFERED		\$					
		SOLICITED							
		OFFERED		\$					
		SOLICITED							
		OFFERED		\$					
		SOLICITED							
		OFFERED		\$					

NSN 7540-01-140-5525

1403-101

STANDARD FORM 1403 (10-83)

prescribed by GSA

FAR (48 CFR) 53-209-1(a)

SECTION III-- FACTORS TO BE INVESTIGATED

Column (a) is for request. Columns (b) and (c) are for survey results. Provide a narrative explanation substantiating each factor for which Column (b) or (c) is checked.

19. MAJOR FACTORS	CHK. (a)	SAT. (b)	UNSA T (c)	20. OTHER FACTORS Provide specific requirement in Remarks	CHK. (a)	SAT. (b)	UNSA T (c)
A. TECHNICAL CAPABILITY				A. GOVT. PROPERTY CONTROL			
B. PRODUCTION CAPABILITY	X			B. TRANSPORTATION	X		
C. QUALITY ASSURANCE CAPABILITY	X			C. PACKAGING	X		
D. FINANCIAL CAPABILITY	X			D. SECURITY			
E. ACCOUNTING SYSTEM				E. PLANT SAFETY			
21. IS THIS A SHORT FORM PREAWARD REPORT? <input type="checkbox"/> YES <input type="checkbox"/> NO				F. ENVIRONMENTAL /ENERGY CONS.			
				G. OTHER			
				(SPECIFY)			
22. IS A FINANCIAL ASSISTANCE PAYMENT PROVISION IN THE SOLICITATION? <input type="checkbox"/> YES <input type="checkbox"/> NO							
23. Remarks							

1. **Production Capability:** Although, TexGood has not received any prior Government contracts for aircraft grease, their supplier is a manufacturer and has supplied the required grease directly to the Government. Tex Good does have a firm commitment from the manufacturer to supply the required amount of grease in the stated delivery period. TexGood's current available space is sufficient to handle the additional quantity for both items.

2. **Quality Assurance:** Tex Good has no formal or informal quality assurance program. The manufacturer does not forward inspection and test reports to indicate compliance with the required specifications. TexGood does not perform these tests. This area is inadequate.

3. **Transportation:** The bidder is currently shipping approximately 25 tractor trailers per month of grease and other lubricants. The IFB would not significantly increase his shipping requirements. The bidder is set up to handle either destination or origin shipping arrangements.

4. **Packing and Marking:** The manufacturer ships the grease to the bidder in accordance with the packing requirements of MIL STD 290. The bidder has not previously marked shipments for the Army but has sufficient equipment to handle this requirement.

5. **Financial survey:** This is a qualified marginal approval due to unbalanced financial condition of subject. After subtraction of large intangible debt, net worth is negative. Total debt is very heavy. Operations are profitable however. Working capital appears adequate and they have a low six figure line of credit available for use.

SECTION IV -- SURVEYING ACTIVITY RECOMMENDATIONS

24. RECOMMEND	25A. NAME AND TITEL OF SURVEY APPROVING OFFICIAL	25B. TELEPHONE NO.
<input type="checkbox"/> A. COMPLETE AWARD	25C. SIGNATURE	25D. DATE
<input type="checkbox"/> B. PARTIAL AWARD (QUANTITY)		
<input type="checkbox"/> C. NO AWARD		

STANDARD FORM 14032 BACK (10/83)

PREAWARD SURVEY OF PROSPECTIVE CONTRACTOR (GENERAL)			1. Serial No. (For surveying activity use)		FORM APPROVED OBM NO: 3090-0110				
SECTION I - REQUEST (For Completion by Contracting Office)									
2. NAME AND ADDRESS OF SURVEYING ACTIVITY QUALITY ASSURANCE BRANCH ARMY DEPOT NEW CUMBERLAND, PA			3. SOLICITATION NO. DAB-T59-8X-B001		4. TOTAL OFFERED PRICE: \$1,212,493.44				
			5. TYPE OF CONTRACT FIRM FIXED PRICE, DEFINITE QUANTITY						
6A. NAME AND ADDRESS OF SECONDARY SURVEYING ACT. (for surveying activity only) CREDIT & FINANCE DIVISION ARMY DEPT NEW CUMBERLAND, PA			7. NAME AND ADDRESS PROSPECTIVE CONTRACTOR ROBERT & SONS 1065 BROADWAY DOVER, DELAWARE 00011						
6B. TELEPHONE NO. (Include Wats/FTS if available)									
8. Will Contracting Office Participate in Survey? <input type="checkbox"/> YES <input type="checkbox"/> NO			12. WALSH-HEALEY CONTRACTS ACT (Check applicable box (es))		A. IS NOT APPLICABLE B. Is applicable & prospective contractor represents his classification as: <input type="checkbox"/> MANUFACTURER <input type="checkbox"/> REGULAR DEALER <input type="checkbox"/> OTHER (specify)				
9. DATE OF THIS REQUEST		10. DATE REPORT REQUIRED ASAP							
11. Prospective contractor represents that <input type="checkbox"/> IS <input type="checkbox"/> IS NOT A Small Business Concern									
13. NAME AND ADDRESS OF PARENT COMPANY (if applicable) NONE			14. PLANT AND LOCATION (if different from Item 7, above) SAME AS BLOCK 7						
15A. NAME OF REQUESTING ACTIVITY CONTRACTING OFFICER JOHN BLOOM			16A. NAME & ADDRESS OF SECONDARY REQUESTING ACTIVITY (For surveying authority use)						
15B. SIGNATURE JOHN BLOOM									
15C. TELEPHONE NO. (Include autovon, Wats/FTS, if available) (700)555-1212			16 B. TELEPHONE NO. (Include autovon, Wats/FTS, if available)						
17. FIRM'S CONTACT FOR SURVEY									
A. NAME AND TITLE JANE TILLMAN			B. TELEPHONE NO. (Include Area Code) (600)555-2323						
SECTION II -- DATA (For completion by Contracting Office)									
18A ITEM NO.	18B. NATIONAL STOCK NO. (NEW) AND NOMENCLATURE		18C. TOTAL QUANTITY	18D. UNIT PRICE	18E. DELIVERY SCHEDULE				
					(a)	(b)	(c)	(d)	(e)
001A	AIRCRAFT GREASE	SOLICITED	200,000	ORIGIN/DEST.	SEE	SOL.			
		OFFERED	200,000	\$2.58 /2.60					
001B	AIRCRAFT GREASE	SOLICITED	265,120	ORIGIN/DEST.	SEE	SOL.			
		OFFERED	265,120	\$2.60/2.612					
		SOLICITED							
		OFFERED		\$					
		SOLICITED							
		OFFERED		\$					
		SOLICITED							
		OFFERED		\$					
		SOLICITED							
		OFFERED		\$					
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		OFFERED		\$					
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		OFFERED		\$					
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		OFFERED		\$					
		SOLICITED							
		OFFERED		\$					

NSN 7540-01-140-5525
1403-101
STANDARD FORM 1403 (10-83)
prescribed by GSA
FAR (48 CFR) 53-209-1(a)

SECTION III-- FACTORS TO BE INVESTIGATED

Column (a) is for request. Columns (b) and (c) are for survey results. Provide a narrative explanation substantiating each factor for which Column (b) or (c) is checked.

19. MAJOR FACTORS	CHK. (a)	SAT. (b)	UNSA T (c)	20. OTHER FACTORS Provide specific requirement in Remarks	CHK. (a)	SAT. (b)	UNSA T (c)
A. TECHNICAL CAPABILITY				A. GOVT. PROPERTY CONTROL			
B. PRODUCTION CAPABILITY	X			B. TRANSPORTATION	X		
C. QUALITY ASSURANCE CAPABILITY	X			C. PACKAGING	X		
D. FINANCIAL CAPABILITY	X			D. SECURITY			
E. ACCOUNTING SYSTEM				E. PLANT SAFETY			
21. IS THIS A SHORT FORM PREAWARD REPORT? n YES n NO				F. ENVIRONMENTAL /ENERGY CONS.			
				G. OTHER			
				(SPECIFY)			
22. IS A FINANCIAL ASSISTANCE PAYMENT PROVISION IN THE SOLICITATION? n YES n NO							
23. Remarks							

1. Production Capability: Robert & Sons (R&S) is a small two-year old manufacturer of aircraft grease and other lubricants. They have performed satisfactorily on previous Government contracts requiring the same specifications; however, those contracts were for a significantly smaller quantity than this procurement.

Robert & Sons currently has 80,000 lbs. of aircraft grease in stock (anticipate 95,000 by contract award date). The production is at full capacity: 2 shifts producing 30,000 lbs per month (15,000 is committed to other customers). Currently Robert & Sons can produce 15,000 lbs of grease per month for this procurement. With the anticipated reserve of 95,000 lbs and the 15,000 lbs monthly production their delivery capabilities are:

180 days: 95,000 lbs + 15,000 lbs x 6 months = 185,000 lbs.
 270 days: 185,000 lbs. + 15,000 lbs X1 month = 200,000 lbs.
 360 days: 200,000 lbs. + 15,000 lbs X 1 month = 215,000 lbs

The delivery requirements are: Items 1A and 1B: 255,000 lbs 180 days; 155,000 lbs more by 270 days; and 55,000 lbs more by 360 days. Robert & Sons does not have the capability to delivery this amount. Their lease on the building prohibits expansion of any kind. Robert & Sons can produce Item 0001A only without problems; Item 0001B only with minimal problems; both items major problems.

2. Quality Assurance: Robert & Sons has an acceptable quality control plan. Each shift has a satisfactory number of QC inspectors and each inspector has received training on Government specifications. Robert & Sons submits a random sample per lot of the aircraft grease to a testing facility. The bidder maintains adequate records, except there does not appear to be any method for handling complaints other than "as they come up".

3. Transportation: Robert & Sons has written agreements with several trucking companies. There does not appear to by any problems in this area.

4. Packing and Marking: Robert & Sons can prepare shipments in accordance with specifications.

5. Financial survey: Robert & Sons' financial resources do not appear adequate for an award of this size. Working capital and net worth are only moderate five figure amounts, debt is high (high six figures). We have confirmed that the bidder has an established line of credit in the moderate six figure range. There is no outstanding balance on this line. This approval is marginal due to the limited financial resources of the bidder.

SECTION IV -- SURVEYING ACTIVITY RECOMMENDATIONS

24. RECOMMEND	25A. NAME AND TITEL OF SURVEY APPROVING OFFICIAL	25B. TELEPHONE NO.
n A. COMPLETE AWARD	25C. SIGNATURE	25D. DATE
n B. PARTIAL AWARD (QUANTITY)		
n C. NO AWARD		

STANDARD FORM 14032 BACK (10/83)

PREAWARD SURVEY OF PROSPECTIVE CONTRACTOR (GENERAL)		1. Serial No. (For surveying activity use)		FORM APPROVED OBM NO: 3090-0110	
SECTION I - REQUEST (For Completion by Contracting Office)					
2. NAME AND ADDRESS OF SURVEYING ACTIVITY QUALITY ASSURANCE BRANCH ARMY DEPOT NEW CUMBERLAND, PA		3. SOLICITATION NO. DAB-T59-8X-B001		4. TOTAL OFFERED PRICE: \$1,206,177.12	
6A. NAME AND ADDRESS OF SECONDARY SURVEYING ACT. (for surveying activity only) CREDIT & FINANCE DIVISION ARMY DEPT NEW CUMBERLAND, PA		5. TYPE OF CONTRACT FIRM FIXED PRICE, DEFINITE QUANTITY			
6B. TELEPHONE NO. (Include Wats/FTS if available)		7. NAME AND ADDRESS PROSPECTIVE CONTRACTOR CASCO 15 COOK AVENUE ALLENTOWN, PA 12931			
8. Will Contracting Office Participate in Survey? <input type="checkbox"/> YES <input type="checkbox"/> NO		12. WALSH-HEALEY		A. IS NOT APPLICABLE	
9. DATE OF THIS REQUEST		10. DATE REPORT REQUIRED ASAP		B. Is applicable & prospective contractor represents his classification as: <input type="checkbox"/> MANUFACTURER <input type="checkbox"/> REGULAR DEALER <input type="checkbox"/> OTHER (specify)	
11. Prospective contractor represents that <input type="checkbox"/> IS <input type="checkbox"/> IS NOT A Small Business Concern		CONTRACTS ACT (Check applicable box (es))			
13. NAME AND ADDRESS OF PARENT COMPANY (if applicable) NONE		14. PLANT AND LOCATION (if different from Item 7, above) SAME AS BLOCK 7			
15A. NAME OF REQUESTING ACTIVITY CONTRACTING OFFICER JOHN BLOOM		16A. NAME & ADDRESS OF SECONDARY REQUESTING ACTIVITY (For surveying authority use)			
15B. SIGNATURE JOHN BLOOM					
15C. TELEPHONE NO. (Include autovon, Wats/FTS, if available) (700)555-1212		16 B. TELEPHONE NO. (Include autovon, Wats/FTS, if available)			
17. FIRM'S CONTACT FOR SURVEY					
A. NAME AND TITLE JANE TILLMAN		B. TELEPHONE NO. (Include Area Code) (600)555-2323			

SECTION II -- DATA (For completion by Contracting Office)

18A ITEM NO.	18B. NATIONAL STOCK NO. (NEW) AND NOMENCLATURE		18C. TOTAL QUANTITY	18D. UNIT PRICE	18E. DELIVERY SCHEDULE				
					(a)	(b)	(c)	(d)	(e)
001A	AIRCRAFT GREASE	SOLICITED	200,000	ORIGIN/DEST.	SEE	SOL.			
		OFFERED	200,000	\$NB /2.583					
001B	AIRCRAFT GREASE	SOLICITED	265,120	ORIGIN/DEST.	SEE	SOL.			
		OFFERED	265,120	\$NB/2.601					
		SOLICITED							
		OFFERED		\$					
		SOLICITED							
		OFFERED		\$					
		SOLICITED							
		OFFERED		\$					
		SOLICITED							
		OFFERED		\$					
		SOLICITED							
		OFFERED		\$					
		SOLICITED							
		OFFERED		\$					

NSN 7540-01-140-5525

1403-101

STANDARD FORM 1403 (10-83)
prescribed by GSA
FAR (48 CFR) 53-209-1(a)

SECTION III-- FACTORS TO BE INVESTIGATED

Column (a) is for request. Columns (b) and (c) are for survey results. Provide a narrative explanation substantiating each factor for which Column (b) or (c) is checked.

19. MAJOR FACTORS	CHK. (a)	SAT. (b)	UNSA T (c)	20. OTHER FACTORS Provide specific requirement in Remarks	CHK. (a)	SAT. (b)	UNSA T (c)
A. TECHNICAL CAPABILITY				A. GOVT. PROPERTY CONTROL			
B. PRODUCTION CAPABILITY	X			B. TRANSPORTATION	X		
C. QUALITY ASSURANCE CAPABILITY	X			C. PACKAGING	X		
D. FINANCIAL CAPABILITY	X			D. SECURITY			
E. ACCOUNTING SYSTEM				E. PLANT SAFETY			
21. IS THIS A SHORT FORM PREAWARD REPORT? <input type="checkbox"/> YES <input type="checkbox"/> NO				F. ENVIRONMENTAL /ENERGY CONS.			
				G. OTHER (SPECIFY)			
22. IS A FINANCIAL ASSISTANCE PAYMENT PROVISION IN THE SOLICITATION? <input type="checkbox"/> YES <input type="checkbox"/> NO							
23. Remarks							

1. Production Capability: CASCO has no record of past performance on Government contracts during the past two years. He is a dealer of aircraft parts and has recently added grease and other lubricants. His purchasing procedures are deemed inadequate for the IFB in that he does not have any written commitments from his supplier. Several suppliers have refused to supply him their product line due to customer complaints (items not delivered at all or so late the customer had to make interim arrangements). There is no guarantee CASCO would receive grease in the quantities remotely close to the IFB requirements. Also it appears CASCO has granted a priority status to his largest customer for all parts and lubricants. In case of a grease shortage, the customer would receive any grease allocated for the Government under this arrangement. When this issue was raised with the Vice President, he indicated they would find the supplies somewhere if they the Government would not grant them an extension on their delivery schedule.

A close inspection of the products indicated the grease is marginal at best in meeting the specifications. It appears CASCO is not concerned with product specifications.

2. Quality Assurance: CASCO has no quality assurance program. The IFB requires that the aircraft grease be manufactured to specification. The bidder does not even have those specifications nor does it appear he attempts to require them of his suppliers. Also, CASCO does not receive any inspection and test reports from his suppliers. There is no evidence he performs any testing himself. This area is inadequate for the IFB.

3. Transportation: CASCO deals with only one small trucking company and it is owned by a family member. This company is too limited to handle the volume required by the IFB.

4. Packing and Marking: Although CASCO does not have the specifications, he does have sufficient resources to perform this function..

5. Financial survey: CASCO's working capital appears adequate, has only moderate debt and has a line of credit in the high six figures.

SECTION IV -- SURVEYING ACTIVITY RECOMMENDATIONS

24. RECOMMEND	25A. NAME AND TITLE OF SURVEY APPROVING OFFICIAL	25B. TELEPHONE NO.
<input type="checkbox"/> A. COMPLETE AWARD <input type="checkbox"/> B. PARTIAL AWARD (QUANTITY) <input type="checkbox"/> C. NO AWARD	25C. SIGNATURE	25D. DATE

STANDARD FORM 14032 BACK (10/83)

CALCULATIONS FOR SIMULATION EXERCISE

To help the students complete the exercise, the unit prices bid have been extended to show total price.

Item 0001(A)	200,000 lbs.
2.25	\$450,000
2.35	\$470,000
2.45	\$490,000
2.47	\$494,000
2.50	\$500,000
2.55	\$510,000
2.58	\$516,000
2.582	\$516,400
2.583	\$516,600
2.59	\$518,000
2.591	\$518,200
2.60	\$520,000
2.605	\$521,000
2.62	\$524,000
2.68	\$536,000
2.95	\$590,000

Item 0001 (B)	265,120 lbs.
1.64	\$434,796.80
2.25	\$596,520.00
2.30	\$609,776.00
2.40	\$636,288.00
2.50	\$662,800.00
2.52	\$668,102.40
2.58	\$684,009.60
2.594	\$687,721.28
2.598	\$688,781.76
2.601	\$689,577.12
2.603	\$690,107.36
2.630	\$697,265.60
2.72	\$721,126.40
2.98	\$790,057.60
3.10	\$821,872.00

3. What is the Walsh-Healey Public Contracts Act and to which general standard does it apply?
4. State several items the preaward survey request shall include?

LESSON 8

AWARD OF CONTRACT

Primary Learning Objective

Primary Objective #1:

Condition: Given an IFB, amendments to the IFB, the bid in line for award, and other bids,

Action: Prepare contract and document the recommendation for award.

Standard: The contract is properly prepared and includes all elements for a legal contract. Documentation of the award provides sufficient detail to allow accurate reconstruction of the procurement for immediate review and future reference.

Primary Objective #2:

Condition: Given the completed contract and award documentation

Action: Obtain approvals for awarding the contract, execute the contract, and prepare appropriate notices of award.

Standard: The contract is properly approved and signed. All required notifications are made.

Course Learning Objectives (CLO)

At the completion of this course the student will be able to:

- 8-1 Make final award decision in sealed bidding
 - Explain procedure for briefing superiors on selection recommendation.
 - Prepare documentation of award (especially if award is to someone other than the low bidder).

- 8-2 Formulate the contract and prepare appropriate notices of award
 - Determine sufficiency of funding.
 - Prepare contract.
 - List the approvals needed before awarding contract.
 - Determine the steps taken in making a preaward notification.
 - List the steps involved in executing a contract.
 - Make postaward notifications.

Estimated Time

60 minutes

Method of Instruction

Lecture/Discussion with viewgraphs as visuals
 Student Exercise — Case Study on obtaining legal approval
 Interactive Review Questions

Student Materials

Text/Reference — Chapter Eight
 Classroom Materials — Lesson Eight (Case Study)

Lesson Overview

This lesson provides a detailed discussion on the procedure for awarding the contract. Specific points of interest include:

- Determining whether funds are available for award.
- Options the CO can take when there is an insufficient amount of funds.
- Recommending bidder for award.
- Preparing the contract.
- Documenting the award.
- Obtaining approvals and executing the award.
- Post-award notifications.

This lesson will be presented by the instructor in a lecture/discussion format. The instructor will use numerous examples to enhance student participation and attentiveness.

This lesson has two worksheets (SF 33, award portion and the SF 26) that the instructor will assist you in filling out. These worksheets will not be graded; they are simply there to teach you how to prepare the forms.

There is one case study involving the procedure for obtaining approvals including a legal review.

There is an example of a “notice of award” included in this lesson.

There are several interactive learning review questions in this lesson. The instructor, if time permits, will conduct an interactive review using these questions. He/she will ask a student to answer a question and then ask another student to indicate whether or not the first student was correct or whether something should be added to the answer. The second student may then add to the first student’s original answer. The instructor will continue in this manner until the question has been sufficiently answered. If time does not permit an interactive review of the material, you should answer these questions in your own free time to prepare for the end of course exam.

CASE STUDY 8-1
LEGAL REVIEW

You have carefully assembled the required documentation and have forwarded the proposed contract to the Office of General Counsel for legal review.

The reviewing attorney notices that the successful offeror is a partnership and the SF 33 was signed “Mr. J. Ward, Senior Partner.” The file does not contain additional information relative to the signature. The attorney does not approve the proposed contract and returns it to you for further action concerning the signature.

QUESTION

What action do you believe is required?

5. List two reasons for documenting award.
6. Who performs a legal review before issuing a contract and why?
7. What steps will the CO take in making postaward notifications?

LESSON 9

PROTESTS

Primary Learning Objective

Condition: Given protests before award, protests after award, the protesters' offers, all other offers (if after award), the solicitation, access to the Comptroller General's decisions, and support from the agency's legal staff

Action:

- Develop and forward the Government's position on the protest
- Prepare memorandum for record to document resolution of the protest

Standard: Procures requirement in the most timely and efficient manner, given the protest. Meets all FAR, GAO, and agency procedural requirements. Includes all relevant facts and is factually correct. Memorandum for record meets "test of sufficiency" (i.e., applying the reasonable man doctrine, a reader could reconstruct the protest and its resolution).

Course Learning Objectives (CLO)

At the completion of this course the student will be knowledgeable on:

9-1 Protests filed with the agency.

- Describe steps the CO takes in dealing with a verbal complaint about a solicitation.
- State and describe the steps the CO takes in dealing with a written complaint about a solicitation.
- Given a decision to uphold the protest, identify course of action to resolve it.
- State what to do in responding to a protest.

9-2 Protests filed with the Small Business Administration.

- Describe the steps to take in protesting a small business representation.

- 9-3 Protests concerning the Walsh-Healey Public Contracts Act
- Describe the steps to take in protesting the eligibility of an offeror.
- 9-4 Preaward protests filed directly with GAO.
- State the steps involved in preparing and forwarding findings of fact and recommendations regarding whether to proceed or to delay award.
 - State the steps to take when GAO says “advisable not to award.”
- 9-5 Postaward protests filed directly with GAO.
- State the steps involved in preparing and forwarding findings of fact and recommendations regarding proceed or delay.
 - Describe how the CO will determine whether to authorize contract performance notwithstanding the protest.
 - Describe how the CO will determine whether to appeal.
 - Describe the procedure for preparing an appeal.
 - State and describe the steps for implementing GAO’s recommendation.
- 9-6 Protests that go to court.
- Describe how to prepare affidavit and memorandum of facts upon notification of court filing.
 - Describe how to respond to discovery motions for written records.
 - Describe how to implement the court’s decision.
- 9-7 For all protests.
- List the steps in preparing a memorandum for record concerning the protest.

Estimated Time

45 minutes—lecture/discussion

Method of Instruction

Lecture/Discussion with viewgraphs as visuals
Interactive Viewgraphs
Interactive Review Questions

Student Materials

Text/Reference — Chapter Nine (page 9-1)
Classroom Materials — Lesson Nine

Lesson Overview

This lesson provides a thorough discussion on various types of protests. Specific points of interest include:

- Protests filed with the agency.
- Protests involving a small business representation.
- Protests concerning the Walsh-Healey Public Contracts Act.
- Protests to GAO.
- Protests to the GSBCA and to the Courts.

This lesson will be presented by the instructor in a lecture/discussion format. The instructor will use interactive viewgraphs and numerous examples to enhance student participation and attentiveness.

There are two Comptroller General Decisions at the end of the lesson involving protests to GAO. The instructor may or may not use these Comp. Gen. Decisions in class. If the instructor does not have time to do these exercises in class, you may want to read them and try to answer the questions on your own. The instructor can provide you with the answers if you choose to do these cases at home.

There are several interactive learning review questions in this lesson. The instructor, if time permits, will conduct an interactive review using these questions. He/she will ask a student to answer a question and then ask another student to indicate whether or not the first student was correct or whether something should be added to the answer. The second student may then add to the first student's original answer. The instructor will continue in this manner until the question has been sufficiently answered. If time does not permit an interactive review of the material, you should answer these questions in your own free time to prepare for the end of course exam.

COMPTROLLER GENERAL DECISIONS

Comptroller General Decision No. B-228506, B-228865.2, December 3, 1987.

Text of Decision

Porter Contracting Co., Inc., protests the rejection of its bids under the Department of the Navy invitations for bids (IFB) Nos. N62477-87-B-2006 and -2171, for fire protection services and certain construction services, respectively. The Navy rejected the bids as nonresponsive because each was executed by a stamped signature next to the typed name and title of the firm's president, and there was no evidence with the bid that such execution was authorized. Porter notes that the bids did have the firm's corporate seal, and that after bid opening it should have been clear to the Navy that Porter intended to be bound in each case. Porter argues that the failure to sign the bids, therefore, should be waived as minor informalities.

QUESTION

Should the protest be denied or sustained?

Text of Decision

Chattanooga Office Supply Company protests the rejection of its hand-carried bid as late by the Tennessee Valley Authority, (TVA), under invitation for bids (IFB) No. AB12561A issued for an indefinite quantity of mobile partitions and components and calling for the submission of bids by 10:00 AM on July 30, 1987. Chattanooga states that its representative entered the bid opening room sometime between 15 and 30 seconds after the hour of 10:00 AM according to the bid opening room clock and that, after checking the time against the local telephone time reporting service, it was discovered that the bid opening room clock was between 1 and 2 minutes fast. Accordingly, the protester argues that the bid opening officer erroneously declared the time for the submission of bids to have expired earlier than it in fact had and that its bid was improperly rejected.

QUESTION

Should the protest be denied or sustained?

INTERACTIVE REVIEW QUESTIONS

If time permits the instructor will conduct an interactive review of this lesson using the following questions. If there is not sufficient time, you should try to answer these questions at home to prepare yourself for the end of course exam.

1. Define protest.
2. Many protests start with a phone call, list two do's and don'ts when answering an inquiry concerning a protest over the phone.
3. List three items of information that may be included in a findings of fact.
4. When can a contract be awarded with a protest pending?

LESSON 9

5. When there is a protest of a small business representation pending, when can the CO award the contract immediately?
6. The CO should rely on the bidder's representation that it is a manufacturer or regular dealer except in certain cases. List two cases.
7. What is a comptroller general decision?
8. What is meant by "denied" and "sustained?"
9. Can the CO award a contract with a protest filed directly with GAO pending? Why or why not?

10. The agency is required to submit a complete report on the protest to GAO in ____ calendar days after receipt from GAO of the telephonic notice of such protest, or within ____ calendar days after receipt from the GAO of a determination to use the express option.

11. What types of protests are submitted to the General Services Board of Contract Appeals (GSBCA)? Can you file a protest with GAO and GSBCA?